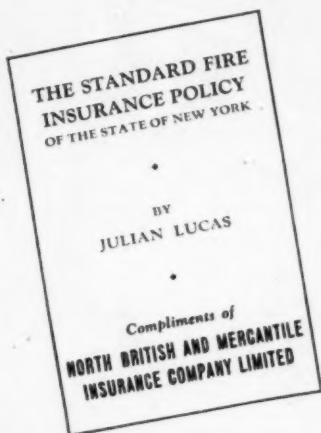


The NATIONAL UNDERWRITER

Booklet With A Worldwide Reputation



"The Standard Fire Insurance Policy" booklet by the late Julian Lucas, outstanding insurance authority, while widely accepted and used throughout the United States by colleges, insurance schools, associations, bureaus, libraries and the like, now enjoys an international reputation as a reference booklet on the subject. Requests for copies have been received from as far away as

Karachi, India; Sydney and Melbourne, Australia; Hawaii; South Africa; Cuba; South America, and Great Britain,

Tyros, and even old hands in the business, find good use for Julian Lucas' erudite interpretation and analysis of "The Standard Fire Insurance Policy." A complimentary copy will gladly be sent to anyone, upon request.

NORTH BRITISH AND MERCANTILE INSURANCE COMPANY LIMITED
THE PENNSYLVANIA FIRE INSURANCE COMPANY
THE COMMONWEALTH INSURANCE COMPANY OF NEW YORK
THE MERCANTILE INSURANCE COMPANY OF AMERICA
THE HOMELAND INSURANCE COMPANY OF AMERICA

150 WILLIAM STREET, NEW YORK 7, N. Y.

New York - Philadelphia - Boston - Detroit - Chicago - San Francisco

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Please send me, without obligation, a copy of Julian Lucas' authoritative reference booklet on the Standard Fire Insurance Policy of the State of New York.

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THURSDAY, MARCH 3, 1949

BLAST IN BUENOS AIRES... **BRINGS A** **SHUDDER IN** *Chicago!*

BOOM! An explosion shakes the outskirts of Buenos Aires—building material and equipment blown sky-high—and a small American construction firm faces failure on its first foreign job!

In the firm's Chicago headquarters, a moment of shuddering panic . . . then calm reassurance. A phone call to the firm's *local* insurance agent confirms that adequate coverage is in effect—sound, *American* protection placed right in Chicago through facilities of the American Foreign Insurance Association!

This single illustration dramatizes a need felt by every American firm, either great or small, with interests abroad: the need for sound insurance protection of foreign undertakings—*protection arranged and controlled close at home.*

You are the agent who can supply that desired protection through fire, marine or casualty insurance. American Foreign Insurance Association makes it easy. You need merely make the contact—then write us about the specific risk as you find it. We quote a rate—prepare and deliver the policy. You gain new prestige and profit. In this year of opportunity, remember: *The foreign field is your new horizon—capitalize on it!*



AMERICAN FOREIGN INSURANCE ASSOCIATION

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COMPLETE INSURANCE COVERAGE IN FOREIGN LANDS

THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in April and May) by The National Underwriter Company, Office of Publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. 53rd year, No. 9, Thursday, March 3, 1949. \$5.00 a year (Canada \$6.00). 20 cents per copy. Entered as second-class matter April 25, 1931, at the post office of Chicago, Ill., under Act of March 3, 1879.

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ECA Modifies Policy on Marine Insurance

On Request, U. S. Agency Will Finance Dollar Insurance

NEW YORK — Marine underwriters are disappointed at the ECA offer and they will so report to the ECA "watchdog" committee. They will leave the next move up to Congress. They are particularly discouraged because there seems to be no sound reason for ECA to single out the U. S. marine insurance business for such treatment when banks and other businesses are not being squeezed out of participation in the ECA program.

The ECA offer means that participating countries will ask for insurance dollars only when these will go to their own insurers, marine men say. This means U. S. insurers still do not have a chance to compete for business, which is all they are asking.

WASHINGTON — Economic cooperation administration has modified its policy with respect to marine insurance, in accord with the desires of the American marine insurance industry and its congressional backers, Senator McCarran and others.

Since the hearing before McCarran's ECA "watchdog" committee, a week or two ago, where the marine interests presented their case, and ECA Comptroller Kohler defended himself and ECA policy, concessions to American marine interests were believed assured. It was only a question whether ECA Administrator Paul Hoffman would go all the way in reversing ECA policy.

Under the partial reversal or modification announced Monday, ECA will, "when requested by the participating country . . . finance dollar insurance in connection with procurement authorizations covering the second and subsequent delivery quarters of 1949," an official announcement said. "Otherwise, the ECA policy remains the same."

The official release continued as follows:

Certain Policies Continued

"Since Sept. 13, 1948, ECA policy has been not to pay for marine insurance. It has left to the importer and his government the decision on whether to insure a shipment. It has also left to the importer and the government the determination of where to insure. Policy on these last two points is continued.

"In many instances, importers have insured with foreign companies, employing their own local currency to pay for the insurance. In other cases, importers have taken out dollar insurance, paying for premiums with non-ECA dollars. ECA has no objection to these practices.

"Under the modification, when a participating country requests ECA to finance dollar insurance, dollars recovered, in case of loss, will be restored to ECA's program funds for the country concerned.

"The modification is not expected to add significant costs to the country programs. An estimate, prepared jointly by representatives of the marine insurance industry and ECA Comptroller Eric L. Kohler, revealed that the pos-

Downey's Flood of Bills Is Pondered at Length

LOS ANGELES — Commissioner Downey held a three day conference here with insurance representatives on the multitude of department-sponsored bills. There was a one day meeting at San Francisco first and there were later two more days of conference there.

Reciprocal and mutual representatives voiced strenuous opposition to the bill to forbid operation of mutuals and reciprocals by stock companies. The reciprocals opposed the provision that as used in this article, "mutual insurer" includes a reciprocal or interinsurance exchange and its attorney in fact. Two other measures tending to bring reciprocals further under regulations also were objected to.

A bill having to do with action against non-admitted insurers stirred up lengthy discussion and the commissioner said he does not subscribe to it in its entirety, but sponsored it due to the fact it is in line with what other states might do and because of public law 15.

The bill dealing with licensing and regulation of insurance producers had been entirely redrafted and none of the industry people had seen it. Hence it was to be considered at the San Francisco conference.

Only one company man lodged objection to the bill relating to the compensation of claims adjusters and the bill was permitted to stand as printed.

The bill governing outfits promising medical, surgical, hospital and other services, but which are elusive when claims are presented came up for considerable discussion. Downey said 23 such organizations are operating and he will endeavor to make the bill more drastic.

Bills, relating to adjustment of premiums on group life and disability insurance based on experience, met with objection, the major life company representatives reading into the proceedings the Washington state code provisions dealing with the same subject. Com-

sible premium costs of cargo insurance that might have been placed on ECA's \$4 billion procurement program authorized through January would have approximated \$2.7 million, of which the ECA-financed portion might have been even less.

"The \$2.7 million figure was reached after making deductions for ocean freight included in the program costs, traditionally noninsured purchases from government agencies, offshore purchases and other purchases that are not normally insured, at least with dollars.

"Premiums on marine cargo insurance received in 1948 by American underwriters are estimated to have been at least \$80 million."

Under the new ECA insurance policy, insurance observers say they believe American marine interests will play even a more important part in furnishing coverage on ECA-financed exports than may appear on the surface. This is believed to be true because from now on, private purchases from private exporters will represent a growing percentage of the whole ECA program. Heretofore, foreign government purchasers under the Marshall plan have represented a large proportion of the total export shipments under the plan.

Off Shore Shipments

Observers say that under the policy now adopted, foreign governments may continue to self-insure or place coverage in the foreign market as they please. Exports of food, grain, coal and oil

Fire Insurance in Kenyon College Holocaust \$153,000

COLUMBUS — Fire insurance coverage on Old Kenyon Hall, at Kenyon college, Gambier, O., which was totally destroyed by fire early Sunday morning, causing the death of nine students and injury to 20 or more, consisted of \$150,000 on building and \$3,000 on contents. The insurance is handled by the Albert Rees Davis agency of Cleveland. Western Adjustment is handling the loss.

This was a structure 122 years old, made of native stone. It housed 56 students. There had been a dance in the hall Saturday night and one theory was that wrapping paper had been stuffed in the huge fireplace in the living room and that this later rolled out and ignited decorations. The fire started about 3:30 a.m. Sunday. Three bodies were recovered and identified and there are six students missing and they are presumed to have perished.

Commissioner Downey suggested that the language of the Washington code be substituted for that in the two bills, with the exception that the adjustment be on a one year basis.

Downey's A. & H. minimum standards and minimum benefits bill was laid aside when Downey announced that, as a result of conferences with disability insurers, a committee, of which Vice-president Howard J. Brace of Occidental Life is chairman, is formulating a substitute bill.

Bills concerning the discriminatory aspect of workmen's compensation dividends caused discussion on the question of how far public law 15 enters into the situation.

The bill providing that life, disability and surety commissions should be continued to be paid as long as the contract is in force, and another providing that limited license can be obtained by new applicants under certain conditions as well as those who already have been licensed were unopposed.

The bill to enact into law the fiduciary situation of producers as now covered by departmental bulletins, and which provides that the trust fund must not only be set up but maintained, and which gives the commissioner rule making powers was the basis of considerable discussion due to some banks being reluctant to accept insurance moneys because no beneficiary of the trust is named; to the fact that some life companies permit a 60 day credit to agents; and to the fact that the banks would not be absolved of liability under a forgery situation. It was suggested that the trust account include an unearned commission reserve. Mr. Downey took the position that when the agent makes the deposit in the trust account and pays the insurer its net, he is entitled to take down his commission.

may be self-insured or insured abroad. On off-shore shipments under the Marshall plan, that is shipments from South America, for example, to Europe, there will be no requirement of American marine coverage.

It was agreed cotton exports under the plan program should be shipped c.i.f. and insured in dollars. Thus, Judge Smithfield, Dallas, representative of cotton export and insurance interests in the south, and who was a member of the marine committee that conferred with ECA officials on marine insurance problems gets what he wanted.

Senator McCarran believes the ECA modified policy will enable the American marine industry to participate on a fair competitive basis for coverage on ECA-financed exports.

Pittsburgh Day Again Is Brilliant Occasion

Variety of Sessions Run Off Flawlessly—Much Instruction, Inspiration

By LEVERING CARTWRIGHT

Pittsburgh Insurance Day Monday, as usual, went off faultlessly and with just about the entire insurance fraternity of the city well rewarded on the score of instruction and inspiration received and sociability enjoyed.

The Pittsburgh leaders, with Miss Bessie O'Neil at the control tower, have perfected a routine for this day that is flawless and that included the holding of nine separate forums morning and afternoon, a general opening session for all hands in the morning, luncheon, dinner and dancing. Every event started right on the appointed hour and none of the sessions was permitted to extend beyond the allotted time.

There was a great variety of program fare, ranging from the instructional to the highly inspirational.

High, Inspirational Points

Among the high points of the day from the inspirational standpoint, were the speech at the joint opening session by John Donald Babb, prominent local agent and president of Pittsburgh Sales Executives Club, who developed the thesis that selling is the great promoter of our way of life; the usual stellar performance of Francis W. Potter of Aetna Casualty in outlining the technique for selling comprehensive liability insurance; the excellent size-up of the capital problems facing insurance today by Charles H. Bokman of New Amsterdam Casualty and Insurance Day wheelhorse, given during the luncheon session; the presentation of Sidney H. Lance, local agent of Medina, O., on "Building a Local Agency" at one of the afternoon forums and the banquet address of Commissioner Malone of Pennsylvania, who made a strong appeal to all segments of the insurance business to stand together and oppose any movement that jeopardizes the free enterprise standing of any element of the business.

Can't Stand Aloof

Mr. Malone deplored the position of those life insurance people who have said that they care nothing about public law 15 and he likewise condemned anyone in the property and liability end of the business who takes a detached attitude toward the proposed congressional investigation of life insurance. If the United States government decides to take over any one branch of the insurance business, he declared, it will soon control all branches of insurance. Anything that happens to break down state regulation is a menacing development. Over and beyond the duty of the agents to their customers and to their companies, he said, they have the task of seeing that any change in the insurance system is for the better. Insurance, he declared, is the greatest business of the land and if it fails, every other business will fall to the federal government.

Mr. Malone, incidentally, announced that he intends this week to hand down

(CONTINUED ON PAGE 10)

Fisher Gives Views on Problems of the Day

Carleton I. Fisher, state director of Rhode Island Assn. of Insurance Agents, in addressing the District of Columbia association last week, took up a number of problems of the business that might be subject to review in a federal investigation. He examined the problems individually and analyzed the possibilities.

The biggest bugaboo, he declared, is unfair discrimination. Some would have us believe all discrimination is banned, not just unfair discrimination. What is unfair discrimination in insurance rating? The Robinson-Patman act is cited. The recent Morton Salt case is cited. Worship at the feet of the rating standard known as "unfair discrimination" has gone much too far. Insurance rating so differs from any other price fixing involving commodities, where the cost of the product is known before it is sold, it is elementary that a large degree of underwriting skill and judgment must be used. Mr. Fisher said the truest thing he has heard said about rigid rate regulatory laws is that they create more unfair discrimination than they prevent. They charge the same rate to many risks that are entitled to individual consideration.

Rating Bureau Action

When rating bureaus do not want to do something, he charged, they are prone to blame it on the Washington "bogey man." We can't have an adequate method of rating interstate fire insurance risks because they do not have available statistics to support the discounts, even though a powerful superintendent tells them to base it on underwriting judgment.

In New England substantial changes were promulgated in extended coverage rates. They asked, What was the experience on dwellings? On other properties? On contents? On buildings? The companies couldn't tell, he said, because they had never gathered the statistics.

In Rhode Island a flexible law was enacted under which any insurer may use its individual underwriting judgment and write a policy at lower than its filed rate. This privilege extends to bureau companies as well as to non-bureau or independent companies. Mr. Fisher observed that in practice the organization has no intention of permitting member companies to do any such thing even though agents were advised initially it was a right that existed under the law and with which a rating association could not interfere. "I am just wondering how long it will take for someone to file a complaint about that in Washington."

FTC Investigation

How far the federal trade commission will go in the investigation of practices in the business is the question of the hour. But, he remarked, the question should be, "How far do state laws go in regulating unfair trade practices?" Few states have an effective unfair trade practice law and fewer have adequate enforcement.

"It is apparent powerful interests that would be adversely affected by enforcement of such a law on the state level have no intention of permitting such laws to be enacted by state legislatures."

Coercion of insurance through the power of credit and enforced tie-in sales of insurance are but two of the practices in the industry that are generally regarded as unfair trade practices and not adequately regulated by the states. As practiced by automobile dealers, finance companies, banks, credit unions, and building and loan associations, Mr. Fisher said he hopes the FTC takes a decided interest in the insurance business.

There is the view that when an agent locally insures local property he is not

thereby engaged in interstate commerce and therefore he is immune from federal laws. That is whistling in the dark. He opined that if he places insurance on an automobile that is carrying ICC plates, or insures a cargo under marine forms that is crossing state lines, or personally crosses state lines to solicit insurance, those activities affect interstate commerce.

Do some countersignature laws or licensing laws adversely interfere with interstate commerce? The mandatory division of commission states and the states that forbid paying commissions to unlicensed non-residents even though they never set foot in the state may raise doubts on that score, he said, and the situation probably will not be satisfactorily cleared up on a state level.

The Washington bogey-man is usually blamed for the difficulties placed in the way of conference procedure between groups of principals and groups of agents. While, on the one hand, one company organization actually invites organized conference, another, composed of companies under similar control by the same executives, says it can't be done. Or, that if it is done, the subject of rates is taboo. That is, unless they sit down "in disguise as an advisory organization instead of as a rating organization. Same people. Same faces, but tweedle-dee and tweedledum."

Commission Control

There seems to be great fear on the part of companies of getting together in concert and deciding about commissions, Mr. Fisher said, adding they well may hesitate unless they can get legislation on a state level to organize acquisition cost conferences. If agents agree to that they should have their heads examined, he stated.

To the old song that chaos faces the industry, that commissions must be controlled, that uncontrolled competition between companies for the services of agents is to be deplored, he pointed out that competition is a great regulator of the market; an insurer that pays too high commissions soon places itself in an adverse competitive position in buying business at high price and will lose business to lower cost companies, while those paying too little soon find it difficult to secure or keep good agents. But some people do not believe that competition is desirable in any way in the insurance business. When agents lose their individual bargaining position as to remuneration, the business will be all done, he said.

Mr. Fisher asked: How long are licensed companies going to be satisfied to be subject to complete regulation of their business in various states, only to see unlicensed foreign insurers take the cream of the business by operating entirely outside of any regulation? It does not seem that the states can ever solve that problem in a satisfactory manner. Yet, if someone suggests federal incorporation and licensing the bogey man is again brought out. The camel is going to get his nose in the tent and push us out.

Are Federal Motives Evil?

Editorial fulminations against the evils of federal intrusion often impugn the motives of legislators who suggest investigating any phase of the situation. Evil machinations are pictured on the part of politicians, and government, and any practitioner of insurance who dares to confer with such is considered in some quarters a traitor to the cause of state regulation. Mr. Fisher remarked that having conferred with a number of the suspect, his opinion is that no evil designs exist and that if some of them want to have some questions answered, there is nothing wrong with that. "I would like to have some answered myself. I have found,

on the whole, that people in Washington are trying to do their job and are not trying to remake the industry."

Perhaps the quickest way to bring dual federal and state regulation about is for state regulation to demonstrate its ineptness in dealing with important problems. State regulation is on trial, but the states generally show no intention of supporting their departments with adequate appropriations. There has come from some quarters the feeling that a commissioner who insists on enforcing the letter of the law is a louse of the highest order and one who should be kicked out of office without delay.

Complaints Bring Investigations

Too many people forget there would never have been an S.E.U.A. case except for the fact that quite a few people complained to the Department of Justice about fire insurance company practices, he declared. It wasn't spontaneous on the part of the government. Now there are three forums to consider complaints, the Department of Justice, the FTC, and Congress. No one of them will, he stated, take drastic action until they receive complaints about the way the business is being conducted now. But complaints have been filed, are being filed, and will be filed by many people on many subjects. If the industry is operating in the public interest, the complaints are groundless and honest investigation will so disclose.

If large policyholders cannot obtain insurance to which they are entitled at fair rates, if agents and brokers are subjected to unfair competition, if independent insurers are discriminated against and stifled in any way, if combinations to fix rates are not properly regulated by the states, those responsible for the bogey man coming to life are those responsible for such conditions. Blame can not fairly be attached to the complainants.

Mr. Fisher noted that investigators never proceed, as a rule, unless they have plenty of complaining witnesses ready to testify. The answers had better be ready. If the investigators proceed without preconceived false notions and with a desire to develop nothing but the facts, the business has nothing to fear.

Schilling Leaving "N.U." Post to Do Public Relations

Dale R. Schilling, associate editor for nearly 20 years, is leaving THE NATIONAL UNDERWRITER March 4 to open a public relations office in Chicago. He will specialize in services for the insurance industry, which will include news photographs.

The office is at 537 South Dearborn street, and the telephone number is Webster 9-2182.

Mr. Schilling for 18 years has been editor of the Insurance Exchange Magazine, a National Underwriter publication. He has been an insurance trade publications editor for some 25 years at Chicago, New York and Louisville, and previously was a daily newspaper man in several large cities.

For four years he was in charge of publicity for the American Life Convention of Chicago.

Ask New W. Va. Official

CHARLESTON, W. VA.—Creation of the office of "manager" in the West Virginia insurance department is proposed in a measure introduced in the house by Majority Leader Fife. The manager would make a continuous study of the insurance needs of the various state agencies and departments, and make recommendations to the director of purchases regarding the placement of insurance. The purchasing director would retain his right to allocate insurance.

There is a West Virginia bill to permit fire insurers to underwrite auto B.I. Another bill eliminates a requirement in the fire rating law for formal hearings before rates could be changed, and another measure provides for deviations on the part of rating bureau subscribers.

Dissent on Effect of Gross Earnings U. & O. Form Change

A prominent authority on business interruption insurance disagrees with the belief that the recent changes in the mercantile gross earnings form in the middle west settles the argument about the amount of insurance required of risks in the non-manufacturing or service class—such as hotels, garages, theaters, bowling alleys, etc. The definition of "gross earnings" in Ohio was recently amended to provide that, in addition to the cost of goods sold, there should also be deducted the cost of materials and supplies consumed in the service of the insured. It is assumed that this change will be adopted routinely in other middle western states.

The letter reads as follows:

Change for Service Risks

"Frankly, I was quite surprised by the statements made on page one of the Feb. 3 issue of THE NATIONAL UNDERWRITER in the article captioned 'Service Risk Problem is Settled in West'."

"There was a positive assertion that 'the insertion of the words "and cost of materials and supplies consumed in the service rendered by the insured" provides the authority to deduct those costs, that probably have, as an actual matter, been deducted in figuring values and applying the coinsurance clause in service types of risks, but concerning which there has always been uncertainty and room for possible argument. The sort of things that can now be deducted with assurance are film rentals in theaters, soap, and other consumable items in hotels, etc.'"

Problem of Theaters

"We agree that under the new definition soap and consumable items in hotels could be deducted, but does that include entertainment and many other items which have always been open to doubt? Surely, in dealing with theaters it is difficult to see how the expense of film rentals can be considered as 'cost of materials and supplies consumed in the service rendered.'"

"One of the ablest certified public accountants who deals with this coverage does not see how the form could be so construed. He cites as an example what might happen in an actual loss where 500 seats in the balcony might be rendered unfit for use by fire, but the 500 seats in the orchestra would be usable within perhaps a day or two after the occurrence of the fire. Under such circumstances the film rental would be the same but the 200 balcony seats would not be contributing and the insured would certainly try to make claim for their share of the loss embracing film rental."

"We tried to check the work sheet of one carrier to determine exactly what expense could be deducted under the gross earnings form with the new definition, as compared with what was deductible under a literal interpretation of the old definition. Many of the items could not be classified and ended up with an interrogation mark and the final deductions made were really insignificant for both theaters and hotels. How can it then be said that the service risk problem is settled by the new definition?"

"In my opinion, very little relief has been given to the service class through the new definition and we certainly have degraded the form for use on mercantiles."

Pryatel Ohio Deputy

Superintendent Robinson of Ohio has appointed August Pryatel of Cleveland as deputy superintendent. He has been practicing law about 10 years and is now attached to the office of city prosecutor at Cleveland. He will take up his new duties March 7.

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Nearly 500 Attend Robinson Dinner

COLUMBUS — Nearly 500 men and women, associated directly or indirectly with insurance, gathered here to honor Walter A. Robinson upon his appointment as superintendent of insurance.

Claris Adams, president of Ohio State Life, was master of ceremonies and John A. Lloyd, vice-president of Union Central Life and former Ohio superintendent, was the principal speaker.

Mr. Adams said Mr. Robinson's tenure will be a strong recommendation for state regulation of insurance, rather than federal regulation. He read a telegram of congratulations and good wishes from U. S. Senator John W. Bricker, who is president of Mayflower Ins. Co. of Columbus.

Mr. Robinson is considered a Democrat, although he is not partisan, and it was interesting to note that one of the bouquets sent to him was from the Republican committee of Erie county.

Mr. Adams introduced the special guests, including the members of Mr. Robinson's family, the insurance committees of the Ohio senate and house, members of the insurance department staff, Chief Justice Carl V. Weygant, R. L. Moulton, state director of commerce, and six former superintendents, Messrs. Crew, Safford, Bowen, Crabbe, Dressel and Shield. Commissioner Butler of West Virginia was introduced. Commissioner Viehmann of Indiana told of his long acquaintance with Mr. Robinson and the high esteem in which he held him. R. Leighton Foster, former insurance superintendent of Ontario and now manager of Canadian Life Insurance Officers Assn.; Superintendent Dineen of New York; R. L. Hogg of American Life Convention and others also told of their long acquaintance with Mr. Robinson and their high regard for him. Mr. Dineen said that upon his arrival in Columbus he paid a courtesy call on Gov. Lausche and complimented him on the appointment of Mr. Robinson as superintendent. Others voiced the same thought, saying that in naming Mr. Robinson the governor had laid aside politics and had rendered a real service to the people.

Gift from Former Superintendents

Mr. Lloyd said that in passing upon questions that come before him, Superintendent Robinson will decide out of long experience and keen wisdom. He declared that Mr. Robinson's service as superintendent will augur well for both insurance companies and policyholders and will prove that state regulation of insurance can be depended upon.

Robert T. Crew, Columbus banker, oldest former Ohio superintendent, presented Mr. Robinson a watch, the gift of the former superintendents. It bears the initials of each of these men. Frank R. Middleton, who was chairman of the general committee in charge of the dinner, gave Mr. Robinson two traveling bags, the gift of the 13 insurance organizations sponsoring the dinner.

Mr. Robinson thanked the audience for the tributes that had been paid him and the gifts showered upon him.

Aetna Fire Fla. Change

Chancellor A. Thornton, state agent of Aetna Fire in Florida, is retiring after more than 32 years and Florida operations will be directed by State Agents M. C. Jenkins and Harland A. Chadbourne.

Roy W. Simmons of the Barlow-Simmons agency, Layton, Utah, has been nominated for bank commissioner of Utah. He is now state liquor commissioner.

Arthur H. Lewis, Wade Patton & Co., chairman of the Hutchinson fire prevention committee, conducted a fire prevention and safety meeting at Washington school, showing two films furnished by National Board.

Company Affiliations in West

THE complete list of stock fire companies operating in all or a part of so-called Western Underwriters Association territory, according to affiliation, corrected up to March 2, 1949, follows:

WESTERN UNDERWRITERS ASSN.

Aetna
Agricultural
Albany
Alleman
Amer. Alliance
American Central
American Eagle
Am. & Foreign
American Home
Amer. Nat'l. Ohio
American, N. J.
Amer. Union
Atlantic, N. C.
Atlas
Automobile, Ct.

Birmingham, Pa.
Boston
British America
Brit. General
British & For. Mar.

Caledonian
Caledonian-Amer.

California
Camden, N. J.

Capital, Cal.
Central States

Central Union
Century

Charter Oak Fire
Cherokee

Citizens, N. J.
Columbia, N. Y.

Columbia, Ohio
Commerce, N. Y.

Com'l Union, N. Y.
Com'l Union, Eng.

Commonwealth, N. Y.
Connecticut

Continental
Detroit F. & M.

Eagle, N. Y.
East & West

Empire State
Employers Fire

Equitable F. & M.
Excelsior, N. Y.

Export
Farmers, Pa.

Federal Union
Fidelity-Phoenix

Fidelity & Guar.
Fire Ass'n

Fireman's Fund.
First Kentucky

Franklin Nat.
Fulton

Glens Falls
Globe & Rutgers

Granite State
Great American

Great Eastern Fire
Hannover

Hartford
Home, N. Y.

Home F. & M.
Homeland

Imperial
Ins. Co. State Pa.

Iowa
Kans. City F. & M.

Law Union & Rock
L. & L. G.

London & Lanc.
London & Scottish

London Assur.
Lumbermen's

Manhattan F. & M.
Mass. F. & M.

Mech. & Traders
Memphis Fire

Mercantile, N. Y.
Mercury

Michigan F. & M.
Midwestern F. & M.

Minneapolis F. & M.
Natl. Amer., Neb.

National Ct.
National Union

Netherlands
Newark

New England
New Hampshire

New York Und.
Niagara

N. E. & M.
N. Car. Home

Northern, Eng.
North River

N. W. F. & M., Minn.
Norwich Union

Ohio
Old Colony

Orient
Pacific Coast Fire

Palatine
Paramount Fire

Patriotic
Pennsylvania Fire

Philadelphia Nat'l
Phoenix, Ct.

Phoenix, Eng.
Piedmont

Provident Fire
Prudential, Okla.

Quaker City F. & M.
Queen

Queen City
Reliance, Pa.

Richmond
Rochester Amer.

Royal Exchange
Royal

Safeguard
St. Paul F. & M.

Scottish U. & N.
Seaboard, Md.

Seaboard F. & M.
Secured F. & M.

Security, Ct.
Sentinel

Southern Fire, N. C.
Springfield F. & M.

Standard, Ct.
Standard, N. Y.

Standard Marine
Star of N. Y.

Sun
Sun Und.

Tennessee
Transcontinental

Travelers Fire
Twin City

Union, Canton
Union, Eng.

Union Marine
United Firemen's

United States
Virginia F. & M.

Westchester
Western, Canada

Western, Kan.
Western Nat'l

World F. & M.
Yorkshire

Western Insurance Bureau
Concordia

Dubuque
Firemen's, N. J.

Girard
Illinois Fire

Security, Iowa
Standard, N. J.

NON-AFFILIATED
Allied, N. Y.

Alliance, Eng.
Alliance, Pa.

Am. Aviation & Gen.
Am. Fidelity

Am. Fire & Cas.
American Druggists

Amer. Equitable
American Fire, Tex.

Natl. Grange Fire
New York Fire

New Zealand
Northern, N. Y.

Pacific
Pacific Nat'l

Pearl, Eng.
Penn. Liberty

Philadelphia F. & M.
Pioneer Equitable

Pioneer, Ill.
Pioneer Equit.

Planet
Potomac

Preferred, Kan.
Prov. Washington

Republic, Texas
Rhode Island

Rocky Mountain
St. Louis F. & M.

Sea
Security Nat'l

Southern Am., Tenn.
State Farm Fire

Stuyvesant
Surety Fire

Switzerland Gen'l
Transportation

Trinity Universal
Underwriters, Ill.

United Benefit Fire
Universal

Utah Home
Vigilant

Washington, N. Y.
Washington F. & M.

William Penn
Jersey, N. Y.

Louisville F. & M.
Indiana

Industrial, N. J.
Ins. Co. North Am.

Hallifax
Hamilton, N. Y.

Houston Fire & Cas.
Indiana

Jersey, N. Y.
Louisville F. & M.

Man of Travelers and David Seager
of Maryland Casualty. The Buffalo

observance will start with a luncheon
at which there will be three speakers.

Two have already been engaged, they
being John Stott of Norwich, N. Y.,

president and temporary headquarters
secretary of N.A.I.A., and Glenn Drake,

professional speaker on salesmanship.

Buffalo Insurance Day
Is Set for March 25

With Buffalo Insurance Day sched-
uled for March 25, two scouts from that

city took in Pittsburgh Insurance Day
Monday to see how the old masters

do it. Those observers were W. L. Jack-

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Recommendations for Reducing Losses on Properties That Are Sprinkler Equipped

H. E. Hilton, executive director of the National Automatic Sprinkler & Fire Control Assn., wrote an extensive article on "Why Unsatisfactory Sprinkler Fires" in the National Fire Protection Assn. "Quarterly," and it has been reprinted. He reviews the facts in 45 selected fires Jan. 1 to Sept. 15, 1948, where substantial losses occurred in sprinklered properties.

The principal reasons for the fire loss in the 45 fires were hazard of occupancy too severe for sprinkler system designed only for ordinary hazard occupancies, 9; water shut off at start of fire, 8; unprotected concealed spaces, 5; insufficient water supplies, 4; explosions wrecking sprinkler equipment, 4; partial protection, fire originated in unsprinklered portion, 4; improper maintenance,

unskilled owner alteration, or faulty repair methods, 4; premature shutting off of water supplies, 2; frozen pipes or valves, 2; obstructed distribution, 1; floor collapse rupturing piping, 1; and lack of exterior sprinklerage to protect against exposure fire, 1.

Shut Off Recommendations

He makes a number of recommendations. In connection with shut offs, for example, he suggests the automatic sprinkler industry make every effort to assure that installations of equipment are kept serviced, that automatic sprin-

kler contractors maintain service to the maximum extent during alterations or repair of systems and that they always advise local fire departments as well as insurers when discontinuance is unavoidable. Where service must be withdrawn overnight special watchman service should be substituted. Insurers should be particularly vigilant to prevent unintentional water shut off through inspection service to assured. Property owners should discontinue hazardous operations during temporary sprinkler service discontinuance or post special fire watchmen where this is not possible. Property owners should also conduct their own valve inspections to assure continuity of protection.

To eliminate concealed space difficulties, he suggests installation of sprinklers in all shielded areas and concealed spaces where a fire might develop out of sight of human detection and out of range of sprinklers supplied to the balance of the structure. Where freezing is possible, sprinkler installations should be dry pipe equipment. Watch particularly for alterations, installations of hanging ceilings and the blanking off of wall spaces that create hollow chambers that will permit fire to develop lethal intensities before discovery, he writes.

Inadequate Water Supply

Mr. Hilton suggests frequent inspections by insurance and automatic sprinkler engineers to overcome the problem of inadequate water supply. Original installation should evaluate water sufficiency and take into consideration local conditions. Insurance interests should not be guided so much by minimums recommended but by potential water supply demands of the individual property being protected. Owners and occupants should be taught that sprinkler efficiency may be measured by water sufficiency.

The problem of occupancy requires that insurance and automatic sprinkler engineers see to it that equipment is provided to meet the potential hazards of occupancy in each installation, and evaluate the occupancy hazard conditions each time they alter or extend an installed system. Insurance people should not accept standard installations where extra hazard equipment is indicated. Owners should check with fire protection advisers before making changes involving occupancy hazards.

Experience shows that improper maintenance can have a marked influence on the sprinkler record. Mr. Hilton recommends that the automatic sprinkler industry establish its own maintenance and service inspections of installed equipment to insure continuity of protection and proper upkeep; emphasize importance of inspection and maintenance; insurance interests should encourage service and maintenance contracts between the automatic sprinkler contractor and insured, and property owners should be impressed with the fact that sprinkler equipment has an age limit of effective service.

Newcomb Heads Steering Group for W.U.A. Meet

W. E. Newcomb of Great American has been named chairman of the order of business committee in connection with the annual meeting of Western Underwriters Assn. at White Sulphur Springs, W. Va., April 12-14. This committee will meet at Chicago March 22 to prepare the program for the meeting. Other members are Paul H. Barr, Hanover; F. E. Cothran, Phoenix of Hartford; C. A. Dossall, St. Paul F. & M.; Harry W. Miller, Commercial Union; C. W. Ohlsen, Sun; Leonard Peterson, Home; and E. H. Forkel, National Fire, the president.

The special cars for the western contingent will leave Chicago on the Big Four at 1 p.m., April 8, arriving at White Sulphur Springs the next morning.

Michigan Adjustment Bureau, Lansing, has been admitted to membership in National Assn. of Independent Insurance Adjusters.

INSURANCE CALENDAR



On March 30, 1842, Dr. Crawford W. Long helped mankind win one of its most glorious battles in the conquest of pain when he performed the operation in which ether was used for the first time as a general anaesthetic.

In another conquest—the conquest of fire—leading fire insurance companies have helped property owners win important battles, too, by ceaselessly campaigning for building codes that would reduce fire hazards to a minimum.

1949—MARCH hath 31 days.

"Even the best family tree has its sap"

- 1—Tu.—1848, Augustus St. Gaudens, sculptor, born.
- 2—W.—Ash Wednesday, 1867, U. S. Department of Education established.
- 3—Th.—1845, Florida entered the Union.
- 4—Fr.—1789, First U. S. Congress met in New York City.
- 5—Sa.—To make sure there are no gaps in your property insurance coverage, have your Agent or Broker review your policies now.
- 6—Su.—1836, Fall of the Alamo. 1933, Roosevelt closed the banks.
- 7—M.—First Quarter, 7:42 P. M., E. S. T. 1879, Patent on Bell's first telephone.
- 8—Tu.—1765, Stamp Act passed by British House of Lords.
- 9—W.—1862, Monitor battled the Merrimac.
- 10—Th.—1649, the wearing of long hair "after the manner of ruffians and barbarous Indians" was forbidden in Massachusetts.
- 11—Fr.—1847, John Chapman, known as "Johnny Appleseed", died.
- 12—Sa.—1864, Ulysses S. Grant placed in command of all the Federal armies.
- 13—Su.—1664, General Court changed the name of Aquidneck Island to Rhode Island.
- 14—M.—Full Moon, 2:03 P. M., E. S. T. 1925, First Transatlantic radio broadcast.
- 15—Tu.—If you are planning to buy more insurance, do it now... delay may prove costly!
- 16—W.—1802, U. S. Military Academy established.
- 17—Th.—St. Patrick's Day.
- 18—Fr.—1937, Natural gas explosion in New London, Texas, school—293 casualties.
- 19—Sa.—1945, U. S. carrier, Franklin, hit by Jap suicide plane—832 dead, 270 wounded.
- 20—Su.—First day of Spring.
- 21—M.—Last Quarter, 8:10 A. M., E. S. T. 1617, Pocahontas died.
- 22—Tu.—1934, Philippine Independence bill passed.
- 23—W.—1775, Patrick Henry delivered his famous "Liberty or Death" speech.
- 24—Th.—1638, Rhode Island purchased from the Indians.
- 25—Fr.—Professional judgement may be better than yours—call on your insurance Agent or Broker.
- 26—Sa.—1945, U. S. Seventh Army crossed the Rhine.
- 27—Su.—1845, William Roentgen, X-Ray discoverer, born.
- 28—M.—1890, State College of Washington founded.
- 29—Tu.—New Moon, 10:11 A. M., E. S. T. 1918, Marshall Fock made Allied Commander-in-Chief.
- 30—W.—1933, First radiotelephone to Philippines.
- 31—Th.—1917, Virgin Islands became U. S. possession.

OBSERVATION for March: Replacement costs have advanced so much in the last three years that a great many property owners who think they're adequately insured would suffer heavy losses if they were burned out today.

PROPERTY INSURANCE
Fire-Auto-Marine-Aviation

FIRE ASSOCIATION GROUP

Fire Association of Philadelphia
The Reliance Insurance Company
PHILADELPHIA



Lumbermen's Insurance Company
Philadelphia National Insurance Company
PENNSYLVANIA
SYMBOL OF SECURITY SINCE 1811

IT'S GOOD FOR YOU WHEN THE PROSPECT



... and a practically foolproof way of getting him past the automatic—"no" state is with a concise, thought-provoking survey.

An intelligent study of his property can't help but make a prospect start thinking about gaps in his coverage. This instantly elevates you to the status of a counselor, definitely takes you out of the peddler class.

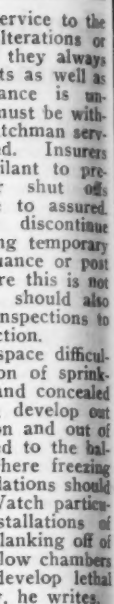
But here many insurance men will add a word of caution... you take a chance on actually doing yourself harm when you offer a survey that is little more than a lot of five-dollar words in a fancy folder. It must have substance.

To put real "meat" in a survey sometimes requires unusually broad or specialized knowledge. And that is where we can be of great assistance to Agents and Brokers.

Fire Association Group field men can contribute much to a survey from their wide experience in analyzing problems. Also, they have some good ideas about survey forms to offer. (These field men are always ready at your call to aid you in making surveys.) Fire Association Group, 401 Walnut Street, Philadelphia 6, Pa. Branches in Atlanta, Chicago, Dallas, New York, San Francisco, Toronto.

FOR YOUR OWN ADS...
you can lift ideas from this
Insurance Calendar ad.

March 3, 1949 March 3, 1949



quent inspection of automatic sprinkler systems is the problem. Original installation of water sufficient for consideration local interests should be by minimum potential water individual property owners and occupants that sprinklered by water.

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Great American
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F. & M.; Harry
Union; C. W.
Peterson, Home
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Bureau, Lane
to membership
independent in

- LIFE
- THE SATURDAY EVENING POST
- TIME
- NEWSWEEK
- PATHFINDER

Maritime Commission Insurance Program Eyed

By H. C. HALLAM

WASHINGTON—Six recommendations concerning the maritime commission and its marine insurance operations, and for adoption of new policies concerning coverage on large modern vessels and permanent provisions for marine and war risk coverage in event of war, have been made in a report on management survey of the commission submitted to the Senate committee on expenditures in executive departments by the latter's staff. Among other things, these recommendations are designed to avoid, in event of another emergency, "improvising" of wartime marine arrangements, such as staff members indicate occurred in the last war. The staff recommendation on this point follows:

"That a draft of permanent legislation be prepared for submission to Congress authorizing the maritime commission to supply marine and war risk insurance, with adequate provisions to enter into insurance service contracts in an emergency on a basis which will enable the government to provide funds as may be needed to carry out the terms of the contract."

It was disclosed that the commission has approved proposed legislation along this line "in principle" and has submitted a draft to the White House for reference to Congress.

The report says that "investigations

indicate that the Wartime hull and Wartime Agreements entered into in the last war emergency resulted in earnings in excess of normal profits. At the time the agreements were made and under the then disturbed conditions, it was impossible to determine the proper rates of premium with the usual degree of accuracy so the agreements provided for the recapture of excess premiums and in the case of the Wartimepandi agreements for the sharing of the losses by the insurers and WSA (war shipping administration)."

The survey was conducted under auspices of the Republican-controlled

committee last Congress.

The suggested legislation, the report says, "should carry safeguarding provisions to prevent excessive profits by commercial underwriters, or the earnings of large amounts of interest through the holding of reserves for pending claims."

"It is recommended that the procurement of insurance be restricted to contract authorizations designed to utilize the service organizations of the commercial groups, with profit limitations comparable to normal peacetime operations, including renegotiation and anti-trust clauses, as well as authority to utilize other laws which might be applied in the public interest against excessive profits."

Supporting Domestic Market

The report refers to the policy of the commission and the old U. S. Shipping Board to encourage and support the domestic commercial marine industry and adds that "the domestic market is now insuring approximately 50% of all interests of the government through purchasers and charterers."

However, it is stated that American market limitations prevent issuance of more than \$4 million on any one vessel, except the S. S. Washington, "where the commission underwrites \$4 collision

liability in excess of \$8,200,000 to protect the interests of the charterers. Should the maximum be raised to \$10 million as now proposed by the underwriters," the report points out, purchasers would still be compelled to assume risks exceeding coverage available if large modern passenger vessels are to be constructed in the building up of the American merchant marine.

On a \$67 million ship, half government-subsidized, the owner's interest of \$33½ million could be covered to a potential maximum of only \$5 million in the American market. An additional \$8 million might be procured on foreign markets, the report suggests, "but the owner would have no further available protection on any market."

Suggests Remedial Action

Suggesting remedial action, the committee staff points to special authority granted by parliament in the British government to provide adequate insurance on the Queen Mary and Queen Elizabeth, the British commercial market being unable to do so without government participation.

The report expresses the belief "that any similar legislative action by the Congress should be of a general nature authorizing coverage for any ship construction program which may be undertaken in this country. The question as to how the required insurance which is in excess of the capacity of the commercial markets shall be provided is one of policy,"—whether by the maritime commission under the merchant marine act of 1920, or otherwise. It appears "inconsistent" to the staff "to subsidize construction and operations without affording ample insurance protection over and above the capacity of the commercial markets."

The staff report devotes several pages to discussion of the maritime commission insurance division, its history, work, organization, methods of operation, etc. Division personnel consists of 15 employees, including B. K. Ogden, chief. The budget for 1950 calls for \$70,500, or about \$7,500 over the last fiscal year.

Polices Insurance Requirements

The division's insurance requirements branch polices insurance required by provisions of mortgage, charter, sale, reconversion, vessel construction subsidy and other contracts required to be arranged with commercial underwriters by parties to such contracts to protect government financial interests.

The protection, indemnity and miscellaneous insurance branch is responsible for adequate commercial and indemnity protection for government ships operated by general agents, and for various other matters, including maintenance of insurance records, examination and approval of policies, changes, endorsements, etc.

The report says "several thousand" claims of and against the government, arising out of WSA operations "are still in process of liquidation" within the commission's claims division, to which they were transferred when the commission and the WSA insurance division were merged a couple of years ago. The report says that division "is not particularly sympathetic to or interested in the technical problems involved in the settlement of these claims."

The report outlines briefly the wartime comprehensive rating plan and says that final settlements under that plan were transferred to the claims division "where little progress has been made toward liquidation as they are not claims but are based on negotiation of premium earned, requiring special knowledge of insurance procedures and methods."

Recommend Transfer

The committee staff suggested to the commission's finance bureau that these matters be transferred back to the insurance division for settlement. The staff laid stress on the necessity of prompt adjudication of contracts under

(CONTINUED ON PAGE 15)



KNOWING THE ANSWERS

CAN RAISE YOUR SALES CEILING!

Let's assume a client is interested in purchasing PRODUCTS LIABILITY insurance. He asks you—

"As a retail hardware dealer I rent ladders, lawn mowers and lawn rollers to home owners for short periods of use. Let's assume an accident occurs involving a mechanical failure or defect of one of these items. Would my Products Liability policy cover this accident?"

Could you answer the question?

Every progressive agent realizes that a good knowledge of his product promotes confidence and a rising sales curve. To energize this sales curve and supply the information necessary to aggressive selling of not only Products Liability insurance but other liability lines, the production and underwriting forces of the Royal-Liverpool Group stand ready to assist their agents in developing this source of income.

Answer to the quoted question is contained in the Group's current issue of "True or False." Your copy is available on request to our Advertising Department.

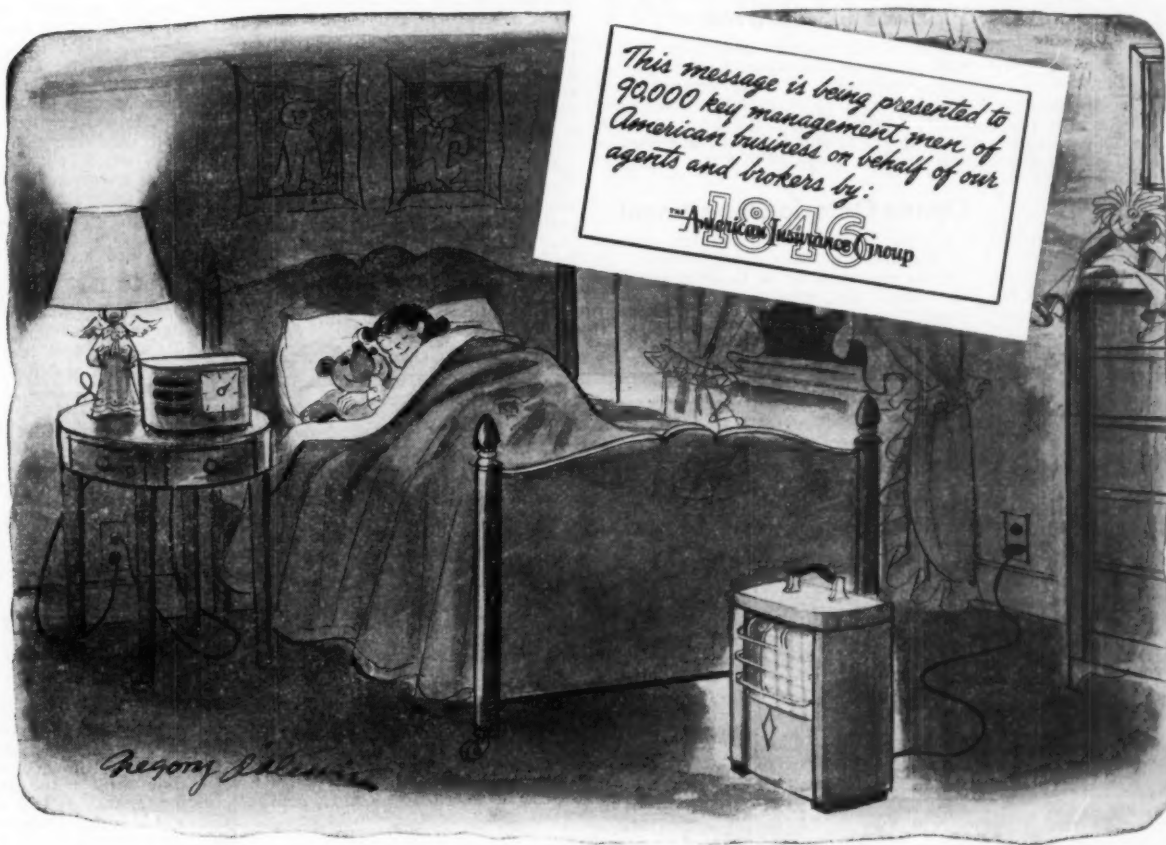
CASUALTY • FIRE • MARINE

ROYAL-LIVERPOOL Group

150 WILLIAM ST., NEW YORK 8, N. Y.

THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA • QUEEN INSURANCE COMPANY OF AMERICA • STAR INSURANCE CO. OF AMERICA • ROYAL INSURANCE COMPANY, LTD. • THE NEWARK FIRE INSURANCE CO. • AMERICAN & FOREIGN INSURANCE CO. FEDERAL UNION INSURANCE COMPANY • THE SEABOARD INSURANCE COMPANY EAGLE INDEMNITY COMPANY • GLOBE INDEMNITY COMPANY • ROYAL INDEMNITY COMPANY

THAT SHE MAY *Sleep in Safety*



WE have come to accept electrical appliances as safe objects for the home. We may forget, however, that behind the safe operation of such home appliances stands the approval of the Underwriters' Laboratories.

Here men test and retest thousands upon thousands of potentially dangerous products. Subjected to severe electrical load, wear and breakage tests, a product must be right to earn the coveted U-L Label.

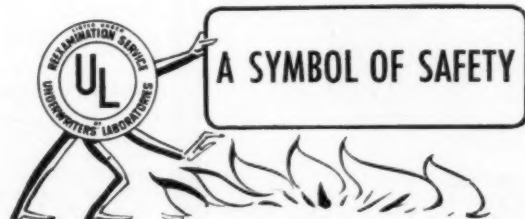
Beyond the appliances in this little girl's room . . . the very materials that went into her house, the heating system, the roofing and indeed almost everything that affects her family's safe living conditions had been pre-tested and approved by the Underwriters' Laboratories.

Sharing the credit with the U-L for the prevention of home tragedies are the individual consumers who insist upon the U-L Label.

Founded in 1894 by a group of capital stock fire insurance companies, the Underwriters' Laboratories (now self-supporting) have set a standard of ever-increasing safety for homes and industry.

As an active member of the National Board of Fire Underwriters, which today sponsors the Underwriters' Laboratories, *The American Insurance Group* emphasizes the strength of its slogan:

Quality Insurance through ever-expanding and ever-improving Quality Protection since 1846.



THE 1846 American Insurance Group
Newark, New Jersey

The American Insurance Co.
Bankers Indemnity Insurance Co.

The Columbia Fire Insurance Co.
The Jersey Fire Underwriters

Casualty Agents Bring Out Auto Safety Campaign

National Assn. of Casualty & Surety Agents has now issued the first material in its highway safety campaign, which is based on courtesy. The layouts show two scenes, one under ordinary circumstances and the other in a motor car. They point out that "you wouldn't do this"—try to get into the middle of a line rather than taking the rightful place at the end, "then why do this"—cut in and out of motor traffic. The theme is that courtesy prevents accidents.

Discourtesy, selfishness, thoughtlessness, lack of consideration of the other fellow cause more automobile accidents than other derelictions. The campaign, for which Wheaton Williams, Minneapolis, president of the association, is largely responsible, reminds people to be as courteous in a car as they would be in other situations.

It is suggested that the agent to whom campaign material is furnished add his firm name as sponsor, join with com-

petitors as sponsors, or sell chambers of commerce, Rotary, Kiwanis, etc., on sponsoring the "safety sermons," or furnish the material to the local newspaper to sell a local firm on sponsorship. Mats are available at the Chicago headquarters of the association.

Some of the other ads are: "Do you crowd people off the sidewalks while walking? Then why crowd them and knock them down while driving? Take your manners with you when you drive." "Would you threaten a man with a gun? Then why threaten him with your car?"

Plan for Ill. Caravan

The 10 regional vice-presidents of Illinois Assn. of Insurance Agents are being called upon to make arrangements for meetings in their sectors between April 18-28. There will be a caravan starting in the southern part of the state and working north.

Opens Ontario Department

Union Society of Canton has opened an Ontario department at Toronto. It will be managed by H. G. Fitchett, who has been with the group nearly 30 years.

Truck Cargo Line Improves

Marine insurers are now looking, for the most part, with an open mind at truck cargo risks. This line is by no means the problem child that it was, and some of the companies now look upon it as a means of compensating for losses in the personal property floater field.

The answer seems to be largely in the improvement in equipment and personnel, particularly the latter. Truck lines now have their old experienced personnel back with them and since jobs are harder to get these days, the drivers are anxious to maintain a good record and hold onto their positions which pay from \$100 to \$150 a week.

Hijackings are still numerous, but some observers theorize that these crimes may decline due to the fact that merchandise of all kinds is now in abundant supply and there is not the appetite that there was for goods at whatever the cost. However, high valued loads are still underwritten gingerly. There seems to be a wave of hijackings of clothing and materials lately. Tobacco and liquors are still "hot" lines

but there has perhaps been some improvement here.

Religious Jurisprudence Book Is Not Endorsed by National Underwriter

Oliver W. Woodward of the Christian Science Committee on Publication for Illinois, writes:

"A surprisingly large number of Christian Scientists engaged in the insurance business have called my attention to an article appearing on page 11 of the Feb. 10 issue of THE NATIONAL UNDERWRITER, under the heading 'New Religions and Claims.' They feel that this article is an implied recommendation of the book therein referred to, 'Contemporary Religious Jurisprudence' and I believe you will agree that this implication is justified.

"I have had occasion to review this book, and I cannot believe that you intended to recommend it, or that you have even read it. I believe that you will find, after a careful study of it and a comparison of the cases cited with the text, that the author has let his personal prejudice against Christian Science influence his writing.

"My request to you is that you read this book, and then if you wish to recommend it, that is your privilege; but if you do not wish to give it your approval, you can correct the impression already given."

THE NATIONAL UNDERWRITER had no intention of commending this book and printed the review on the mistaken assumption that it was simply an objective discussion of claim situations.

Gielow Chief Engineer of Underwriter Service

Walter C. Gielow has been appointed chief engineer of Underwriters Service Assn. of Chicago.

Mr. Gielow has been with U.S.A. 27 years as field man in Wisconsin and Minnesota. He graduated at Armour Institute of Technology, for a short time was with Underwriters Laboratories, was a field man for Continental was with Independence Bureau at Philadelphia, later with North America just prior to joining U.S.A.

In Wisconsin and Minnesota, Mr. Gielow has been succeeded by Robert Knudson, who attended Purdue and Northwestern Universities, was with Hendricks Engineering Corp., for eight years, was in the navy two years, mostly as a radar instructor, and for the past three years was with North America at Chicago as technical representative. Temporarily his headquarters will be at Chicago.

Would Recodify Texas Laws

A concurrent resolution has been introduced in the Texas senate providing for appointment of a commission to recodify the Texas insurance laws.

Life and A. & H. companies would be required to notify within 30 days following expiration of the grace period all persons who have contracted to pay premiums, informing them of benefits and options under the policies extending beyond the grace period, a bill introduced in the Texas legislature provides.

Open Fayetteville Office

T. M. Mayfield & Co., adjusters, with offices at Charlotte, N. C., and Greenville, S. C., have opened a new office at Fayetteville, N. C. H. H. Bobb, secretary of the organization, is in charge there. He has had 24 years' insurance experience, having been an adjuster at Greenville of this firm for five years.

Edward J. Hadfield, 55, comptroller secretary of Utica Mutual for many years, died suddenly in the company offices. He joined the firm in 1919, was named comptroller in 1924 and secretary and member of the board in 1935.

The Reinsurance Corporation of New York

FINANCIAL STATEMENT, DECEMBER 31, 1948

ASSETS

| | |
|--|------------------------|
| Cash on Hand and in Banks..... | \$ 563,271.83 |
| U. S. Government Bonds and Notes..... | 5,856,582.83 |
| Other Bonds and Notes..... | 1,088,597.16 |
| Stocks..... | 5,261,050.00 |
| Net Reinsurance Balances Receivable..... | 387,998.68 |
| Other Admitted Assets..... | 76,743.34 |
| Total Admitted Assets..... | <u>\$13,234,243.84</u> |

LIABILITIES

| | |
|--|------------------------|
| Reserve for Unearned Premiums..... | \$ 4,403,173.22 |
| Reserve for Losses and Adjustment Expenses..... | 2,000,973.91 |
| Reserve for All Other Liabilities..... | 837,852.50 |
| Voluntary Reserve—for future changes in security prices..... | 548,265.76 |
| Capital..... | 1,530,000.00 |
| Surplus..... | 3,913,978.45 |
| Total..... | <u>\$13,234,243.84</u> |

POLICYHOLDERS SURPLUS . . . \$5,992,244.21

Bonds are valued on an amortized basis and stocks at prices prescribed by the National Association of Insurance Commissioners. Bonds carried at \$268,226.77 in the above statement are deposited as required by law.

99 JOHN STREET

NEW YORK 7, N. Y.

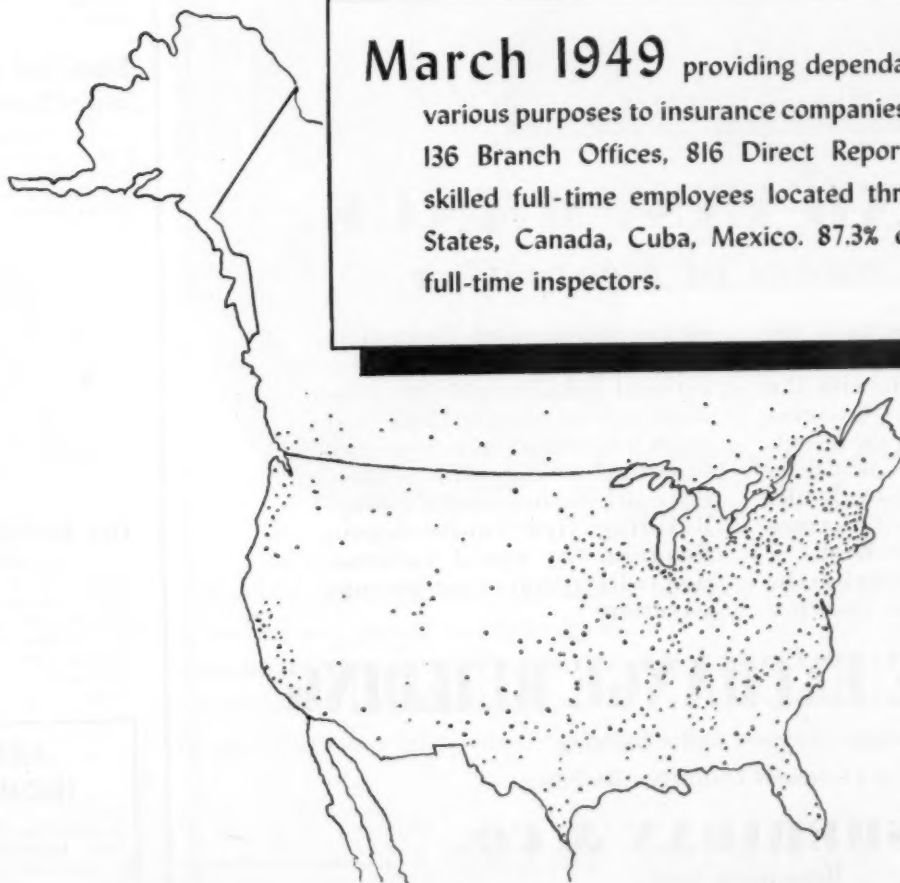
Thanks to the STABILITY
INTEGRITY
and PROGRESS of INSURANCE
RETAIL CREDIT COMPANY is celebrating

50 Years of GROWTH



March 1899 founded to provide information on
individuals of Atlanta, Georgia.

March 1949 providing dependable information for
various purposes to insurance companies of all kinds through
136 Branch Offices, 816 Direct Reporting Stations, 4500
skilled full-time employees located throughout the United
States, Canada, Cuba, Mexico. 87.3% of reports made by
full-time inspectors.



RETAIL CREDIT COMPANY
HOME OFFICE: ATLANTA, GA.
U. S. A.

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Sask. Government Offers Auto Fire, Theft Cover

REGINA, SASK. — The Saskatchewan legislature, at its current session, is passing a bill which will extend coverages obtainable under the automobile accident insurance act to include fire and theft protection.

The new coverage will provide fire and theft insurance to the actual cash value of the vehicle with a \$100 deductible for private passenger cars, and varying deductibles for trucks, the same as now required for collision.

As a result of these changes, the government market will provide accident insurance with a limit of \$10,000; B.I. in limits of 5/10; P.D. \$1,000 with \$100 deductible in Saskatchewan only; collision with varying deductibles, and fire and theft with the same deductibles as collision.

Deviation Section Changed

The West Virginia legislature has sent to the governor a bill to amend the deviation section of the old fire rating law to conform to the all-industry pattern. This has a liberalizing and clarifying effect.

Another bill before the legislature per-

Fire Company 1948 Statement Figures in Tabloid

| | Assets | Inc. in Assets | Reins. Res. | Inc. in Reins. Res. | Capital or Stat. Dep. | Surplus | Inc. in Surplus | Net Prema. | Losses Paid | Loss Ratio |
|---------------------------|-------------|----------------|-------------|---------------------|-----------------------|------------|-----------------|------------|-------------|------------|
| American Eagle Fire..... | 43,103,082 | 4,198,726 | 13,948,620 | 1,861,797 | 5,000,000 | 17,694,898 | 1,254,047 | 16,160,454 | 6,421,232 | 39.7 |
| American General..... | 9,204,094 | 1,130,658 | ..... | ..... | 1,250,000 | 2,448,939 | 507,228 | 5,278,660 | 1,975,871 | 37.4 |
| American Reserve..... | 8,544,383 | 525,641 | 4,507,419 | 368,843 | 1,000,000 | 1,723,374 | 20,752 | 4,794,863 | 2,238,021 | 46.7 |
| Appalachian..... | 165,145 | 18,868 | 21,861 | 491 | 50,000 | 46,978 | 4,841 | 51,187 | 7,652 | 14.9 |
| Birmingham, Pa..... | 3,173,079 | 243,717 | 767,854 | 199,869 | 1,000,000 | 1,277,285 | 35,506 | 757,120 | 253,430 | 32.5 |
| Buckeye Union..... | 2,446,432 | 115,894 | 1,322,409 | 20,108 | 500,000 | 438,442 | 60,838 | 1,278,582 | 609,778 | 47.7 |
| Commerce..... | 10,114,731 | 628,575 | 3,464,349 | 291,286 | 1,000,000 | 3,995,947 | 82,384 | 4,222,272 | 1,780,277 | 42.1 |
| Commercial Standard..... | 618,436 | 38,131 | 250,860 | 11,254 | 200,000 | 118,973 | 4,413 | 218,810 | 83,733 | 37.2 |
| Continental..... | 186,463,232 | 15,767,089 | 53,561,713 | 10,423,729 | 20,000,000 | 90,981,086 | 3,300,231 | 63,620,984 | 26,217,056 | 41.3 |
| Equitable, S. C..... | 1,678,519 | 59,482 | 458,636 | 55,827 | 300,000 | ..... | ..... | 411,107 | 115,964 | 27.9 |
| Fidelity-Phenix Fire..... | 153,484,414 | 12,340,415 | 42,529,854 | 7,746,779 | 15,000,000 | 75,964,743 | 2,500,447 | 51,702,052 | 21,853,135 | 42.2 |
| Germantown Fire..... | 5,613,598 | 601,586 | 1,341,044 | 949,744 | 1,000,000 | 3,139,842 | —384,629 | 1,292,319 | 44,235 | 03.4 |
| Glens Falls..... | 51,824,569 | 3,165,684 | 19,963,239 | 1,641,169 | 3,250,000 | 16,420,316 | —167,422 | 23,926,209 | 10,088,234 | 42.1 |
| Globe & Rutgers..... | 17,129,828 | 942,935 | 6,481,304 | 467,618 | 1,915,050 | 5,428,855 | 350,325 | 7,325,371 | 3,382,628 | 46.1 |
| Kansas City F. & M..... | 4,130,430 | 896,758 | 1,038,011 | 548,137 | 1,000,000 | 1,127,988 | 23,273 | 5,118,904 | 1,663,092 | 32.5 |
| Memphis Fire..... | 136,705 | 6,917 | ..... | ..... | 50,000 | 69,901 | 12,317 | ..... | ..... | ..... |
| National Reinsurance..... | 11,911,624 | —81,354 | 9,141 | 2,832 | 1,000,000 | 6,153,606 | 523,200 | 2,602,149 | 1,972,028 | 76.7 |
| National Union..... | 41,668,267 | 2,678,811 | 20,963,940 | 1,428,547 | 2,000,000 | 9,619,302 | 236,220 | 21,591,896 | 9,998,986 | 46.3 |
| Niagara Fire..... | 49,269,370 | 4,674,950 | 19,615,258 | 3,159,097 | 5,000,000 | 21,310,643 | 1,036,476 | 21,670,394 | 8,509,102 | 39.6 |
| Northern Assurance..... | 15,242,173 | 588,433 | 7,461,281 | 399,269 | 500,000 | 2,907,449 | 478,527 | 7,618,154 | 3,435,418 | 45.6 |
| Preferred Fire..... | 948,896 | 108,848 | 244,897 | 30,104 | 250,000 | 523,589 | 43,965 | 526,535 | 198,921 | 37.7 |
| Queen City Fire..... | 527,350 | 48,275 | ..... | ..... | 250,000 | 149,135 | —6,046 | 112,390 | 21,006 | 18.5 |
| Reinsurance Corp..... | 13,234,244 | 177,832 | 51,936 | 631 | 1,530,000 | 3,913,978 | 1,148,801 | 4,950,026 | 3,266,691 | 66.0 |
| Security Fire..... | 2,033,776 | —121,458 | 1,099,007 | —70,195 | 500,000 | 267,440 | —13,728 | 763,936 | 471,797 | 61.7 |
| South Carolina..... | 2,787,586 | 382,557 | 1,344,803 | 260,736 | 500,000 | 700,000 | 100,000 | 1,313,816 | 516,440 | 39.0 |
| State F. & C..... | 303,068 | 103,597 | ..... | ..... | 120,000 | 20,615 | —8,625 | 222,259 | 30,829 | 13.8 |
| Transportation..... | 1,955,371 | 233,431 | 752,062 | 16,942 | 300,000 | 589,403 | 109,097 | 606,833 | 277,571 | 45.7 |
| Underwriters Fire..... | 68,507 | 1,766 | 11,826 | 3,170 | 14,135 | 42,213 | —1,181 | 9,627 | 2,196 | 22.5 |
| Western, Kan..... | 5,261,721 | 1,622,439 | 2,511,080 | 564,915 | 1,000,000 | 1,070,689 | 530,527 | 4,138,948 | 1,501,010 | 36.2 |

mits fire companies to write automobile bodily injury which means that they will be able to write full coverage automobile. The casualty companies right

along have been able to write all of the automobile lines.

Another bill would make the old fire rating law apply to sprinkler leakage.

Act Favorably on Repair and Replace Bill in N. C.

RALEIGH — The house insurance committee of the North Carolina legislature gave a favorable report to a bill already passed by the senate which would allow fire insurance companies to write repair-and-replace cover.

The action came after J. H. Pou Bailey, Raleigh attorney, representing the factory mutuals, appeared at a hearing and urged favorable action. He said such cover would be "of great benefit" to large industrial and manufacturing concerns.

Also appearing was Commissioner Hodges, who said his department does not oppose such insurance, but that "a most careful study" is necessary by companies before repair-and-replace cover is issued.

Block Bill to Regulate Ind. Charter Companies

The Indiana house has rejected the recommendation of its insurance committee for passage of a senate bill to provide for state regulation of the so-called special charter insurance companies. The house voted against the committee's report, 39 to 43, after hearing a charge that the bill was a "scheme" to destroy charter insurance companies that was made by Rep. Hunter of East Chicago. He was the only member to speak against the report. Other speakers contended that the charter companies would be glad to accept regulation if they were legitimate. Rep. Brennan of South Bend said he knows of one company that has only \$17,000 assets and he knows of at least two policies that it has issued for \$20,000.

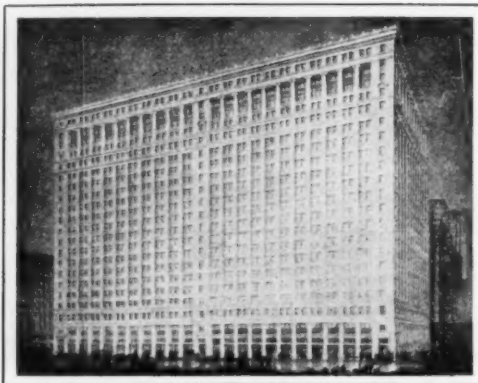
Tax Diversion Proposal

A constitutional amendment has been introduced in the California legislature to allocate one-half of the revenue from the fire insurance premium tax to the state employees retirement system, including firemen. A similar amendment was defeated in a popular election in 1930.

INSURANCE INDUSTRY NOTE

Experienced Independent Auditing and Fire Inspecting "Service" has commenced operations from Denver to Cheyenne and Albuquerque. Companies & General Agents interested write Mgr.: Chas. B. Bakkemo, Mt. States Ins. Service, P. O. Box 4181, So. Denver Station, Denver, Colorado.

Independent with "Service"



SERVING INSURANCE

The Business of Protection

The excellent reputation of the tenants of Chicago's largest office building is consistent with the high character of the business which they so ably represent. They have been instrumental in making 175 West Jackson Boulevard the best known insurance address in the Middle West.

Here firms and individuals, engaged in the various branches

of the business of protection, enjoy the convenience of quick personal contacts with other insurance firms close at hand. It is easily understood why insurance executives seeking Chicago office space give the Insurance Exchange Building first consideration. Requests for rental information will receive our prompt attention.

INSURANCE EXCHANGE BUILDING

Chicago's Largest Office Building
America's Greatest Insurance Building

L. J. SHERIDAN & CO.

Management Agent

175 WEST JACKSON BOULEVARD, CHICAGO 4

Telephone Wabash 0756

Prentice Asst. Secretary of Hartford Boiler

Basil E. Prentice, superintendent of the claim department of Hartford Steam Boiler, has been elected an assistant secretary.

Born in Southhampton, England, Mr. Prentice was studying in the engineering school of Hartley University when he left to serve in the R.A.F. in the first war. He had been on the engineering staffs of several vessels of the Cunard Steamship Line when he joined Hartford Steam Boiler as an inspector at New York in 1927. He was made an adjuster in 1930 and in 1936 he was transferred to the home office as claim examiner. In 1943 he was appointed assistant superintendent of the claim department and in 1945, superintendent.

Mass. Wind Deductible Ruled Ont: Appeal Planned

Deputy Commissioner O'Connell of Massachusetts has disapproved the \$50 wind deductible. New England Fire Insurance Rating Assn. then filed an appeal for review of the decision by Commissioner Harrington. It then has the right to take the matter to court. This, with approval by O'Connell of the broker of record rule are the first two decisions by the department under the rate regulation laws.

The deductible was disapproved on the ground the \$5 minimum charge for eliminating it is not based on experience statistics, and is unfairly discriminatory to insured who buys more than one policy. The deductible will be considered not effective after May 2.

"Causalgia" Cover Sends Experts to Dictionary

About 100 representatives of industry and insurance agents attended a hearing in a bill in Kansas for extensive liberalization of workmen's compensation benefits. The bill provides for increasing weekly benefits from a minimum of \$7 to \$14, and the maximum from \$20 to \$30; increasing medical benefits from \$750 to \$1,000, maximum death benefits from \$5,000 to \$6,000, maximum burial expense from \$150 to \$500 and to make it easier for the employee to change doctors.

The bill also proposes to provide for compensation for what is termed "causalgia." The dictionary defines "causalgia" as "neuralgia marked by intense burning sensation," but apparently as it is used in the Kansas bill, it is intended to mean a secondary injury directly traceable to a previous mishap which had compensable results. The term was added here because of a recent Kansas supreme court decision holding that "causalgia" is not compensable.

Hoover Board Urges U. S. Fidelity Fund

The Hoover commission on government organization recommends that the U. S. Treasury establish a fidelity insurance fund to which accountable officers would be required to contribute. The Hoover commission contends that surety bonding adds greatly to departmental red tape and cost. The Treasury Department is required to keep lists of bonding companies and bonds that are in force, the commission said. About 538,000 accountable officers now are required to pay private surety companies for their own surety bonds at a premium rate of about \$2 million a year. The recoveries average about \$230,000 a year, according to the commission.

Form Pa. Preventionists

Pennsylvania Fire Prevention Assn. has been formed with J. P. Holden, Hartford Fire, Harrisburg, president, and J. H. Weber, retired field man, Philadelphia, secretary. The vice-president and assistant secretary respec-

tively, of the four operating divisions are: J. W. Turner, Northern of England, and F. J. Delorme, Commercial Union, Harrisburg; W. B. Evert, Glens Falls, and H. W. Herman, North British, Philadelphia; T. J. Beagan, National Union and G. C. Waters, Agricultural, Pittsburgh, and H. W. Peterson, Springfield, and J. R. Olson, Aetna Fire, Scranton-Wilkes-Barre.

Proctor Atlanta Head

Robert Hughes, Associated Aviation Underwriters manager at Atlanta, has resigned to go with the advertising firm

of Brown, Bigelow & Co. Prior to the war he was with Fireman's Fund in Atlanta. Donald Proctor, who was associated with Mr. Hughes, will succeed him as manager of Associated.

Dewey Signs Bills Increasing the Benefits

Gov. Dewey has approved the amendment to the workmen's compensation law in New York that increases the maximum award in compensation cases for temporary total disability, from \$5,000 to \$6,500, and for temporary partial disability, from \$4,000 to \$5,500.

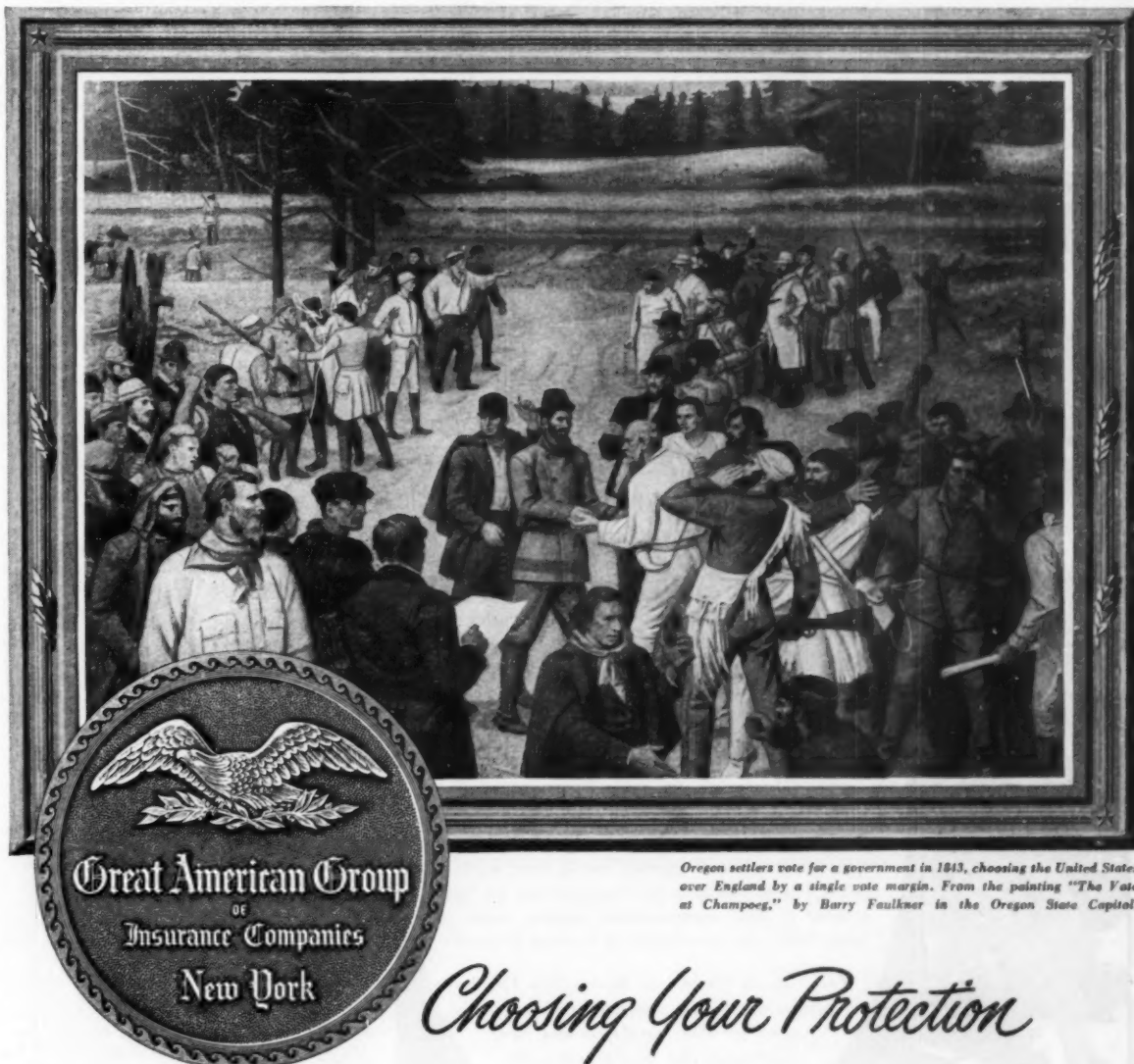
Westwick to A.C.S.C.

E. H. Westwick, director of safety of Pennsylvania Automotive Assn., Harrisburg, has been named field representative of Assn. of Casualty & Surety Companies out of the Chicago office. He will work on traffic accident prevention.

N. Y. BOARD LOSSES

New York Board territory incurred losses in January numbered 302 for \$2,199,739, compared with 391 for \$2,213,608 in January 1948.

An advertisement similar to this appears in SATURDAY EVENING POST, March 5 and in NEWSWEEK, February 28



Oregon settlers vote for a government in 1813, choosing the United States over England by a single vote margin. From the painting "The Vote at Champoe," by Barry Faulkner in the Oregon State Capitol.

Great American Group
OF
Insurance Companies
New York

Choosing Your Protection

Repair N. C.

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The choice of an insurance organization for the protection of yourself and your business is an important decision. Make it with forethought, knowledge and careful consideration. In choosing your protection be sure to call

in one of Great American's 16,000 local agents—or your own broker—and learn how well the Great American Group of Insurance Companies can serve you. Great American offers practically every form of insurance except life.

GREAT AMERICAN GROUP

of Insurance Companies

Great American

American Alliance

American National

Great American Indemnity

Detroit Fire & Marine

Massachusetts Fire & Marine

Rochester American

WORLD-WIDE FACILITIES FOR PRACTICALLY ALL FORMS OF INSURANCE EXCEPT LIFE

Complete Seattle Plans for N.A.I.C. Convention

Streamlined plans have been completed for a combination registration and hotel reservation system for the annual meeting of National Assn. of Insurance Commissioners at Seattle, June 26-29. Alfred Rode, Northwestern Mutual Fire, is general chairman of arrangements.

Registrations will be handled through an office in 604 American Bank building, Seattle. A special form is required, with registration fee of \$15 per registrant. A receipt and confirmation of hotel reservation will be given.

Mr. Rode said the plan is designed to expedite convention registrations, guarantee best available hotel accommodations to persons registering, and enable committees better to plan social functions.

Committee chairman have been announced by Mr. Rode: Ralph Baldwin, finance; J. F. Sullivan, reservations and hotel; Irwin Mesher, publicity; G. D. Connor, programs; Donovan Moore,

registration; John J. Cadigan, reception; Herbert Fishback, banquet; Louis LaBow, automobile; George Farnsworth, transportation; J. W. Reynolds, Mount Rainier trip; Richard Saunders, Lake Washington-Canal trip; S. G. Thompson, general entertainment; Harry Givan, golf; ladies entertainment and reception, Mrs. William A. Sullivan, honorary chairman. Milo F. Wilcox will be executive secretary to the committees and Mrs. Ada Gallagher, assistant secretary.

Approve Lange Appointment

MADISON, WIS. — The Wisconsin senate has confirmed appointment of John R. Lange as Wisconsin commissioner. He was appointed by Gov. Renebohm, effective last Dec. 1, to replace John Sonderegger, who resigned to work in the governor's office.

The term runs to June 30, 1951, completing the six-year term to which the late Morvin Duel originally was re-appointed, serving until his death last August.

Hal S. Bennett Is Choice for Utah Commissioner

SALT LAKE CITY—Gov. Lee has sent to the senate the name of Hal S. Bennett, Salt Lake City business man, for appointment as Utah insurance commissioner to replace Oscar W. Carlson.

Early in the legislative session, a bill representing the wishes of Gov. Lee, was introduced to give the insurance department independent status, separated from the business regulation commission, where it has been for the past eight years with a commissioner ex-officio and a deputy looking after the affairs of the insurance department. However, the legislature will soon adjourn and apparently Gov. Lee decided that the bill is doomed and hence made the nomination of Mr. Bennett.

There were a number of possible appointees mentioned, but they were receptive only if the bill should pass setting up the insurance department on an independent basis.

D. C. Local Agent Charged with Bank Embezzlement

WASHINGTON—William C. Strasser, local agent here, has pleaded nolo contendere to an information charging him with embezzling \$15,000 from a Damascus, Md., bank. He was placed on personal bond and his case referred to the probation office for investigation by the district judge after the assistant district attorney stated full restitution had been made.

Strasser was arrested last October by the FBI in the office of his attorney. FBI said Strasser's firm handled personal and auto loans for the Damascus bank, of which he was vice-president and a director. Funds collected on these loans were deposited to the agency's name in a Washington bank, FBI said. However, such funds were insured as property of the Damascus bank, under FDIC. It was said Strasser had periodically transferred the funds by check from the Washington bank to the Damascus bank, but that two of the three checks he presented to the latter bank last fall came back marked "insufficient funds."

To File Liens on Insurance of Tax Delinquent Property

As part of the city's concerted effort to collect delinquent taxes, Chicago, Gordon Nash, assistant states attorney, has stated that his office will make a tax search on any property damaged by fire. If the owner is a tax delinquent, the city will file liens against the insurance.

Mr. Nash said he has taken this action against Harbor Building Corp., which owns the factory at 9232 Harbor avenue which was damaged by fire Feb. 11. The tax search showed that the building was in arrears in real estate taxes from 1933 to 1940 and subsequent years for a total of \$33,000.

There were nine fire policies in the amount of \$63,000 on the structure, and Mr. Nash has written to the companies telling them that the county has a lien for real estate taxes due.

RBH Names New Officers

Rollins Burdick Hunter Co. has elected Arthur F. Bauer as secretary-treasurer and director of the firm.

Five assistant vice-presidents have been appointed, they being A. N. Freeman, W. I. Hanson, G. R. Parks, F. B. Quackenboss, and J. C. Rathmann.

Women's Regional at Topeka

The regional conference of insurance women of region 7 at Topeka, March 19-20 will be attended by delegates from Colorado, Nebraska, Wyoming, Utah, Montana, Idaho and Kansas.

Ellen Diming, Lincoln, regional director, will preside. She will be assisted by Mrs. Eleanor Sage, Webb Wood-

ward agency, president of Insurance Women of Topeka and 2nd vice-president of National Assn. of Insurance Women.

The banquet speaker will be Roberto de LaRosa, Mexican consul at St. Louis. An attendance of about 200 is expected.

Budlong Buys Interest of Piver in Magazine

Roger W. Budlong, New York, has purchased the interest of Jack Piver of San Francisco in the "National Insurance Producer," magazine for urban brokers and agents. A new corporation, headed by Mr. Budlong, is being formed to publish that periodical and its running mate, "Insurance Buyer," both of New York. All circulation and advertising will be handled through the New York office at 79 John street.

Mr. Piver will resume publication of "Western Underwriter," which was merged with Mr. Budlong's paper, "Insurance Broker," last summer to form "National Insurance Producer."

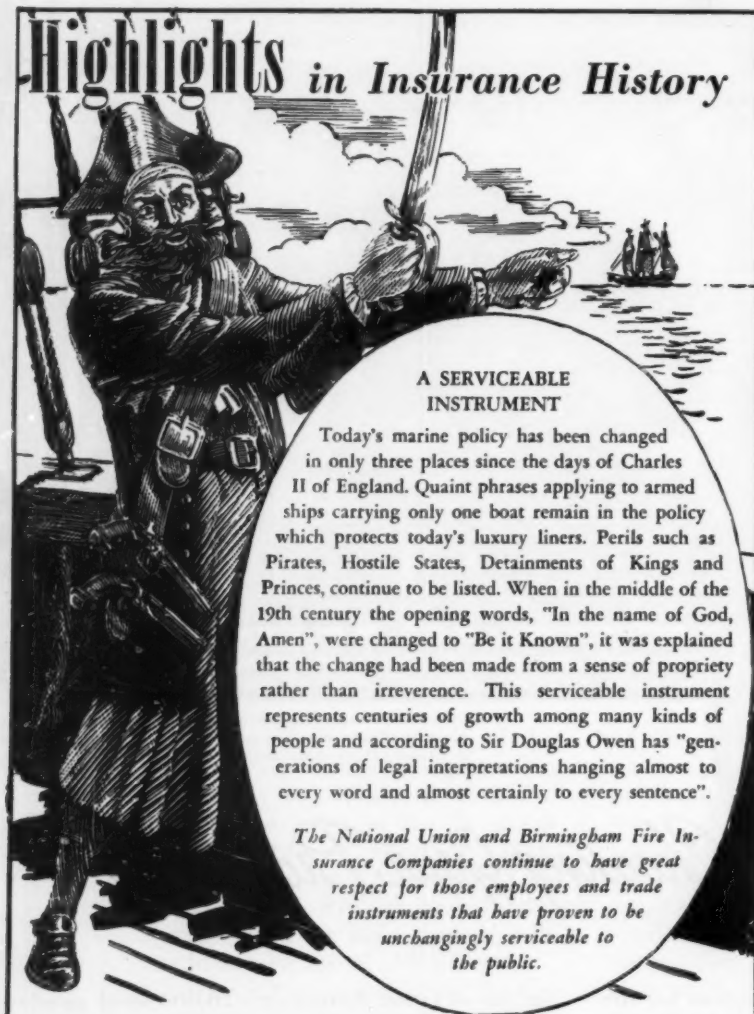
Would Boost Minn. Salary

ST. PAUL—Bills have been sponsored by the insurance committees of both houses to raise the salary of the insurance commissioner from \$6,500 to \$8,500.

For years the salary of the commissioner had been \$4,500 but two years ago the legislature granted a temporary increase to \$6,500 because of increased living costs.

New Texas Auto Insurer

Commercial Ins. Co. of Amarillo, Tex., has been licensed with capital of \$100,000 and net surplus of \$50,000. It is allied with Southwestern Investment Co. and will handle automobile physical damage insurance. S. Wayne O'Keefe of Panhandle Insurance Agency of Amarillo, is president of Commercial.



Highlights in Insurance History

A SERVICEABLE INSTRUMENT

Today's marine policy has been changed in only three places since the days of Charles II of England. Quaint phrases applying to armed ships carrying only one boat remain in the policy which protects today's luxury liners. Perils such as Pirates, Hostile States, Detainments of Kings and Princes, continue to be listed. When in the middle of the 19th century the opening words, "In the name of God, Amen", were changed to "Be it Known", it was explained that the change had been made from a sense of propriety rather than irreverence. This serviceable instrument represents centuries of growth among many kinds of people and according to Sir Douglas Owen has "generations of legal interpretations hanging almost to every word and almost certainly to every sentence".

The National Union and Birmingham Fire Insurance Companies continue to have great respect for those employees and trade instruments that have proven to be unchangingly serviceable to the public.

NATIONAL UNION and BIRMINGHAM FIRE INSURANCE COMPANIES

PITTSBURGH PENNSYLVANIA



QUEEN CITY FIRE INSURANCE COMPANY
SIOUX FALLS SOUTH DAKOTA
D. P. LEMEN, President
1905 Forty-four years of service 1949



Year in and year out you'll do well with the HARTFORD

—all forms of fire, marine and casualty insurance and fidelity and surety bonds.

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HARTFORD FIRE INSURANCE COMPANY
HARTFORD ACCIDENT AND INDEMNITY COMPANY
HARTFORD LIVE STOCK INSURANCE COMPANY
HARTFORD 15, CONNECTICUT

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and vice-presi-
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Move to Increase Reserve Requirements of Mutuals

Governor Peterson of Nebraska has signed a bill, which was sponsored by the department, to increase the premium reserve requirements of domestic mutual fire and automobile insurers.

Company Attitudes Toward Water Hammer Damage

The water hammer decision in the federal court at Madison in which the L. L. Olds Seat Co. of Madison was awarded a verdict of \$25,249 against Commercial Union, is being watched with interest by the fire people. The case is on appeal.

If the verdict is upheld, the sentiment seems to be that the companies would insert language in the extended coverage clause definitely to exclude it as an explosion. This would be on the theory that water hammer is a condition which can fairly readily be corrected, usually by raising the pipes. In other words, to insure it would be to offer coverage for poor maintenance.

Another factor is that water hammer damage does not seem to be much of an issue. It does not come up often in the settlement of losses. It is true, fire companies don't know how frequently there is water hammer damage. If it were a subject that caused annoyance very often, the sentiment might be to include it.

So far as is known, this is the only decision holding water hammer to be explosive.

Fire Waste Council Plans

WASHINGTON—The annual meeting date of National Fire Waste Council has been changed from April 1 to April 8, to suit the convenience of members.

The meeting will be held in the board room of U. S. Chamber of Commerce. More than 100 delegates and guests from the 36 national organizations are expected to attend.

Conferences are being held with Hovey T. Freeman and Harry Ogden, chairman and vice-chairman respectively of the council, to perfect the program.

The council plans to support the National Board in its program to make the governors' programs on fire prevention effective and carry them through until the objectives are obtained. A. Bruce Bielaski will present the National Board's program.

The judges in the inter-chamber fire waste contest will meet on Monday, Tuesday and Wednesday preceding the meeting to grade reports. The council's executive committee meets April 7.

Additional awards will be made this year. One of these awards will be given to chambers of commerce which meet minimum standards.

Regional Blue Goose Rally

SIOUX CITY—The Blue Goose will hold a five-state regional meeting at the Martin Hotel here April 13. Taking part will be ponds from the Dakotas, Nebraska, Minnesota and Iowa.

General chairmen are Harry L. Stanley of Sioux Falls, S. D.; Thomas W. Caldwell, Jr., Omaha; J. Harry Lewis, Jr., St. Paul, and J. H. Bunten, Cedar Rapids, Ia.

Paul Olinger of Minneapolis is in charge of the initiation, A. E. Holt of Des Moines and Calvin P. Dalby of Sioux Falls, in charge of candidates and M. W. Besack of Omaha in charge of the guards.

Prof. J. Wayne Ley of Ohio State University will address Mutual Insurance Club of Columbus March 7 on "The Insurance Program at Ohio State University."

Members of the Columbus office of North British & Mercantile tendered a luncheon to Harold H. Gamber, state agent, to commemorate his 40th anniversary with the company.

These companies until now have been required to set up premium reserves in the amount of only 40% of those required of stock companies and of foreign mutuals. With the new law, premium reserve requirements on domestic mutual companies will be stepped up 10% a year until the standard ratio is reached.

In Iowa the senate insurance committee brought out as a committee bill, a proposal to require mutual companies to maintain premium reserves on the same scale as stock companies, after Jan. 1, 1952. Presently, the mutual

company premium reserve requirement is only 40%.

The Nebraska governor has also signed a bill increasing reserve requirements of domestic sick and accident insurers.

Study Saskatchewan Plan

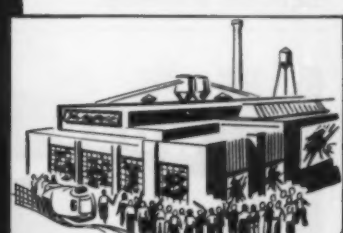
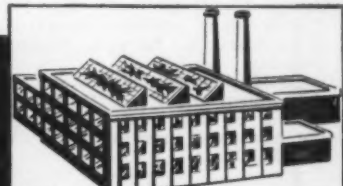
Considerable support is being given a bill in the North Dakota legislature to create an interim commission to study the Saskatchewan plan for government insurance in the automobile field.

North Dakota is susceptible to Canadian influences. At the last legislative session a law was passed to create an unsatisfied judgment fund for benefit of those who are unable to recover under judgments secured against tortfeasors in the realm of the automobile. So far this state fund has received about \$225,000 in "premiums" and there has been but one claim presented, it being for \$1,600.

New Zealand has leased the two story office building at 40 Gold street, New York, for its eastern marine branch.



Let us
help you sell
them ALL
Extended
Coverage



Today there isn't a single good reason why every eligible fire policy shouldn't include Extended Coverage. The rates are low, the coverage is broad, there are few exclusions, and the form is clear. Whenever you write or rewrite a fire policy that is eligible for Extended Coverage — and practically all are eligible now — you should make a strong effort to sell Extended Coverage. Many agents write it in as a matter of routine, as a service to their clients, and explain it afterwards.

In either case, the Security's brand new illustrated folder, "Extend Your Insurance Dollar" can help you. It can be used to explain the coverage when you write it into a new or renewal policy, or to precede a personal or telephone call when you want to explain the coverage before writing it, or to send at once with a letter to all your clients who do not now have the coverage.

Security Insurance Companies

HOME OFFICE: NEW HAVEN, CONNECTICUT

Security Insurance Company of New Haven

The East & West Insurance Company
of New Haven

New Haven Underwriters

The Connecticut Indemnity Company



1841 — "Security," The Nation's Watchword — 1947

Insurance Librarians to Meet at Los Angeles in June

More than 500 Librarians from the United States and Canada, including specialists in the field of insurance, are expected to attend the annual convention of the Special Libraries Assn. at Los Angeles, June 11-18. Convention headquarters will be in the Biltmore hotel.

Keyed to the theme "Blueprint for Action," the convention will discuss ways to increase the usefulness of special libraries. Association membership exceeds 5,500.

Newspaper Loss Is \$90,000

Orient and Safeguard have the fire insurance on the Life Printing & Publishing Co. of Cicero, Ill., which was damaged extensively by fire Feb. 27. The company publishes three suburban newspapers in Berwyn, Cicero, and Stickney.

Co-adjusters on the loss are Western Adjustment and Roger R. Rider. The amount of insurance was \$90,000 and the newspaper has estimated damages at \$125,000.

Los Angeles Mutual Fire is celebrating its 50th anniversary.

Renew Activity in Annual Premium Term Plan

One sign of the increased competitive conditions of the day is the renewal of interest in the sale of the term policy, the premium being payable in annual installments. General of Seattle is generally credited with having originated this plan many years ago and it has been especially aggressive in recent months in developing business with this appeal. There are now perhaps 15 or 20 companies that are doing likewise and it is understood that others are considering the advisability of matching such competition. There are two principal methods of subdividing the premium. One is to write a policy for one year at the full annual premium rate, but with an endorsement giving the assured the privilege of renewing for the next four years at 80% of that rate. Under this plan the insurer puts up premium reserve only on the annual basis.

The other plan is to write a five year contract and put up the reserves on that basis, but to collect the premium in annual installments, there being added to the premium a factor of interest so as to avoid discrimination against those that pay a five-year pre-

1948 MUTUAL FIRE RESULTS

| | Adm. Assets | Unearned Prem. | Net Surplus | Net Prem. | Net Losses Paid |
|-------------------------------|-------------|----------------|-------------|-----------|-----------------|
| Automobile Mutual, R. I. | 5,792,405 | 522,709 | 4,868,759 | 1,011,550 | 191,975 |
| Country Mutual Fire | 8,034,723 | 4,212,103 | 2,884,508 | 7,270,250 | 4,308,773 |
| Farmers Alliance, Kan. | 3,064,763 | 1,823,519 | 1,102,799 | 1,558,441 | 689,465 |
| Hartford Mutual Fire | 5,410,619 | 653,260 | 4,888,843 | 501,189 | 197,334 |
| Hingham Mutual Fire | 1,416,815 | 637,423 | 741,186 | 486,086 | 164,415 |
| Holyoke Mutual Fire | 4,595,746 | 1,834,312 | 2,549,250 | 2,118,942 | 604,227 |
| Indiana Farmers Mutual | 435,788 | 342,539 | 1,165,244 | 1,965,375 | 227,188 |
| Iowa Hardware Mutual | 1,043,822 | 386,795 | 450,945 | 613,065 | 121,742 |
| Middlesex Mutual, Conn. | 3,793,294 | 786,962 | 2,953,331 | 677,398 | 161,431 |
| Mount Joy Mutual, Pa. | 369,853 | 161,521 | 196,915 | 222,812 | 61,431 |
| Mutual Auto Fire, Pa. | 1,993,593 | 934,185 | 783,947 | 1,790,006 | 589,313 |
| Mut. Fire, Mar. & Inland, Pa. | 4,307,416 | 918,049 | 3,005,557 | 930,911 | 444,262 |
| National Mutual Church | 606,674 | 115,247 | 475,133 | 185,292 | 111,635 |
| New York Central, Mutual | 1,027,384 | 506,615 | 437,978 | 591,827 | 177,153 |
| Norfolk & Dedham Mutual | 3,237,914 | 1,590,579 | 1,453,897 | 1,477,827 | 491,026 |
| Olive Coop., N. Y. | 332,333 | 186,846 | 131,046 | 191,015 | 84,912 |
| Onelda Co-op., Rome, N. Y. | 162,033 | 92,538 | 64,677 | 100,895 | 42,020 |
| Phoenix Mutual Fire Co. | 828,538 | 286,792 | 570,205 | 266,906 | 98,046 |
| Pioneer Co-op., N. Y. | 1,317,050 | 511,540 | 754,504 | 530,396 | 186,202 |
| Salem Mutual Fire | 305,872 | 143,545 | 146,473 | 90,457 | 22,125 |
| Standard Reliance, Neb. | 584,566 | 252,107 | 175,000 | 557,622 | 154,027 |
| State Farmers, Minn. | 518,372 | 57,155 | 452,819 | 666,845 | 184,558 |
| Tompkins Co-op., N. Y. | 360,638 | 210,428 | 125,369 | 202,649 | 95,480 |
| Transportation Mutual, Pa. | 4,110,282 | 387,944 | 3,074,145 | 1,002,022 | 451,261 |
| Union Fire, Neb. | 2,040,207 | 580,198 | 1,010,593 | 2,277,977 | 688,246 |
| Union Mutual Fire | 2,132,271 | 1,224,322 | 654,688 | 1,032,458 | 411,740 |
| Utica Fire, Onelda County | 922,429 | 463,561 | 407,244 | 406,157 | 156,945 |
| West Bend, Wis. | 977,549 | 388,674 | 312,397 | 347,687 | 130,305 |

mium in advance. Some of the companies today seem to prefer this latter method. They are not so concerned now about the reserve requirements and they feel it is a more consistent arrangement than to have an assured go along under an annual plan at a certain rate of premium for four years and then to collect a higher premium every fifth year.

Luckham Leaves Cal. Dept. to Join Life Company

D. R. Luckham, assistant to the chief of the compliance and legal division of the California department, has resigned as of April 1 and will join Beneficial Standard Life of Los Angeles as vice-president and general counsel.

Wyo., Ga. Legislatures Adjourn

The Wyoming legislature has adjourned without passing any legislation of insurance interest.

The Georgia legislature has recessed until Jan. 16, 1950.

Gordon Davis, manager of Mutual Loss & Research Bureau of Chicago, delivered the key address at the annual claim meeting of Iowa 1752 Club at Cedar Rapids, Ia., "Loss Procedure and Handling of Fire Claims." G. K. Reid, Iowa Mutual Liability, was in charge of the program and acted as moderator during the panel discussion.

Want Bank Insurers

In the Massachusetts legislature to authorize savings and insurance banks to white fire insurance. When the bill came up for hearing before the joint insurance committee no one appeared in favor of the measure and it was opposed by counsel for Insurance Federation of Massachusetts.

Howell Board President

NORTHAMPTON, MASS.—Walter A. Howell has been elected president of Northampton Board of Underwriters. Sullivan L. Ruggie is vice-president; and Mrs. Sophie Janik, secretary. Russell Harrington of American discussed fire prevention.

Benjamin F. Freeman, 53, field superintendent of Hingham Mutual Fire for Massachusetts and Connecticut, died at his home at Newton, Mass. As a boy he entered the Boston office of Field & Cowles, and from 1917 to 1920 was assistant to the insurance manager of Stone & Webster. In 1921 he was appointed special agent for Providence Washington, was with Milwaukee Mechanics in 1926 and with Globe & Rutgers from 1927 to 1933. He went with Hingham Mutual in 1938.

SAFETY ENGINEER

A man to take over the management of the Safety Engineering Department of a conservative Casualty Company. This man must have safety engineering supervisory experience with an insurance company. This presents a real opportunity for a man with ability.

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EXECUTIVE OFFICES
100 N. LAKE STREET
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SAINT PAUL COMPANIES

responsibility



RESPONSIBILITY weighs heavily on the shoulders of the Saint Paul Companies. We never treat it lightly.

Consider our loss-paying record. All of our obligations have been paid in full. You are safe in considering us as a silent partner of the named assureds in our contracts. It pays to rely on the Saint Paul Companies!

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Mercury Insurance Company
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New York 7, N.Y.

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St. Paul 2, Minn.

PACIFIC DEPT.
Mills Building
San Francisco 4

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago, Feb. 25, 1949

| | | | |
|-----------------------|-------|---------|---------|
| Aetna Casualty | 3.00 | 81 1/2 | 83 1/2 |
| Aetna Fire | 1.80 | 53 | 54 1/2 |
| Aetna Life | 2.50 | 54 1/2 | 56 |
| American Alliance | 1.10 | 24 | 25 |
| American Auto | 1.20 | 45 1/2 | 47 1/2 |
| American Casualty | .80 | 12 1/2 | 13 1/2 |
| American (N. J.) | .70 | 17 1/2 | 18 1/2 |
| American Surety | 2.50 | 59 | 61 |
| Boston | 2.40 | 65 1/2 | 67 |
| Camden | 1.00 | 20 1/2 | 22 |
| Continental Casualty | 2.00 | 53 1/2 | 54 1/2 |
| Fire Association | 2.50 | 63 | 65 |
| Fireman's Fund | 2.60 | 79 | 81 |
| Firemen's (N. J.) | .50 | 16 1/2 | 17 1/2 |
| Glens Falls | 2.00 | 48 | 49 1/2 |
| Globe & Republic | .50 | 9 1/2 | 10 1/2 |
| Great Amer. Fire | 1.30 | 32 | 33 |
| Hanover Fire | 1.20 | 32 1/2 | 33 |
| Hartford Fire | 2.50 | 122 1/2 | 124 1/2 |
| Home (N. Y.) | 1.30 | 29 | 30 |
| Ins. Co. of North Am. | 3.50 | 106 1/2 | 108 |
| Maryland Casualty | .50 | 14 1/2 | 15 1/2 |
| Mass. Bonding | 1.60 | 26 1/2 | 27 1/2 |
| Merchants Fire, N. Y. | 1.15 | 28 | 29 |
| National Casualty | 1.45 | 26 1/2 | 27 1/2 |
| National Fire | 2.00 | 53 1/2 | 55 |
| New Amsterdam Cas. | 1.20 | 30 | 31 1/2 |
| New Hampshire | 2.00 | 43 | 44 1/2 |
| North River | 1.00 | 25 | 26 |
| Ohio Casualty | 1.00 | 49 | 50 |
| Phoenix, Conn. | 2.00 | 87 | 89 |
| Preferred Accident | .80 | 3 | 3 1/2 |
| Prov. Wash. | 1.40 | 33 1/2 | 35 |
| St. Paul F. & M. | 2.25 | 85 | 87 |
| Security, Conn. | 1.40 | 34 | 35 1/2 |
| Springfield F. & M. | 1.90 | 45 | 46 1/2 |
| Standard Accident | 1.45 | 32 1/2 | 33 1/2 |
| Travelers | 22.00 | 655 | 665 |
| U. S. F. & G. | 2.00 | 51 | 53 |
| U. S. Fire | 2.00 | 59 1/2 | 61 1/2 |

*Includes extras.

| Net Losses | ms. | ms. | ms. |
|------------|-----------|-----|-----|
| 191,975 | 191,975 | | |
| 4,308,773 | 4,308,773 | | |
| 689,465 | 689,465 | | |
| 197,334 | 197,334 | | |
| 104,415 | 104,415 | | |
| 604,227 | 604,227 | | |
| 1,965,375 | 1,965,375 | | |
| 227,188 | 227,188 | | |
| 121,742 | 121,742 | | |
| 61,431 | 61,431 | | |
| 589,313 | 589,313 | | |
| 444,262 | 444,262 | | |
| 111,635 | 111,635 | | |
| 177,152 | 177,152 | | |
| 491,026 | 491,026 | | |
| 84,912 | 84,912 | | |
| 42,020 | 42,020 | | |
| 98,046 | 98,046 | | |
| 186,202 | 186,202 | | |
| 22,125 | 22,125 | | |
| 154,027 | 154,027 | | |
| 184,558 | 184,558 | | |
| 95,480 | 95,480 | | |
| 451,261 | 451,261 | | |
| 688,246 | 688,246 | | |
| 411,740 | 411,740 | | |
| 156,945 | 156,945 | | |
| 130,305 | 130,305 | | |

MARITIME COMMISSION STUDIED

(CONTINUED FROM PAGE 6)

the comprehensive rating plan. The staff adds that the chief of the insurance division is better qualified to "make an accurate determination of premiums earned than officials who are unfamiliar with them. Lack of such knowledge on the part of supervisory personnel now handling the cases has created a backlog in the adjudication and liquidation of these contracts which it is believed would not have resulted had this policy been followed from the beginning."

"There remain 22 contracts of this nature, involving potential premium determinations of \$70,600,000 which are behind schedule, and only 31 settlements aggregating \$12,342,000 have been completed."

That insurance policies should be filed with the insurance division rather than with another branch of the commission, is another recommendation.

400 Under Bareboat Charter

The division is reported handling insurance interests on 400 vessels under bareboat charter and 1,000 mortgaged vessels, and also procures insurance on passenger vessels operated by agents, 40 tugs at reserve fleet sites, terminal properties, shipyards, etc. Recommending consideration be given to transfer of personnel from other units to the insurance division to clean up the backlog, the report says part of the backlog involves cases in which government interests are waived covering payments for repairs and damages to certain vessels, to which it is stated, are involved acknowledged liabilities of underwriters. The time lag in clearing these cases has increased from five to 60 days, involving 200 claims aggregating \$3 million.

The protection and indemnity and miscellaneous insurance branch also continues to process wartime hull and P. & I. contracts entered into between WSA and underwriting syndicates. Settlement of these claims may be drawn out over a period of years, but past experience would indicate that it would not be in the government's interest to dispose of them on a negotiated basis even in view of the policy of the underwriters to set up excessive reserves above potential claims settlements. The withholding of huge reserves for claims which are not likely to develop, and failure to refund unearned premiums, has resulted in earnings to the underwriters far in excess of contract provisions, through interest accruals over a period of years. The general accounting office estimated, in its audit report of 1945, that these profits totaled \$18 million above the high earnings paid by the syndicates under the service contracts. The GAO examiner now estimates these interest earnings which were not covered in the contract may exceed \$25 million and are, therefore, excess profits accruing to the underwriters.

Interim Payments

Since July 1, 1946, the insurers have made interim payments to the maritime commission of \$13½ million. Under the Wartimehull agreement \$9 million has been returned by the insurers, and an additional payment of approximately \$6 million is contemplated in December by Wartimepandi underwriters.

Contracts are now being made with agents who handled insurance accounts for the maritime commission during the war, to determine the status of claims on which reserves are being withheld by the underwriters under the Wartimehull and Wartimepandi syndicate agreements, in an effort to effect refunds of such reserves. Indications are that there are many such claims on the books of the underwriters which do not correspond with the accounts maintained by the agents. Whenever it is possible to effect reconciliations of these accounts funds now being held by the

underwriters can be refunded to the maritime commission. Examinations are being made into such claims under the first and second syndicate contracts, involving claims up to Jan. 1, 1945. As these are processed and determinations made relative to liabilities and refunds due, the accounts under later contracts will be handled in a similar manner.

The report recommends consolidation of the insurance requirements branch

and the P. & I. and miscellaneous insurance branch of the commission's insurance division and centralization of the work under supervision of the chief, an assistant chief, and other help as may be necessary. Approval of other recommendations of the committee staff, the report says, would increase the division's workload and necessitate employment of trained insurance personnel.

Auto Finance Bill in Minn.

ST. PAUL—A bill in the Minnesota legislature would prohibit any individual or firm engaged in financing from re-

quiring a purchaser or prospective purchaser to designate any particular insurance company, agent or broker to write the insurance required. It is aimed principally at automobile finance companies.

Another bill would relieve operators of public garages and parking lots from carrying insurance on cars parked with them.

Lawrence (Kan.) Insurance Board is conducting the N.A.I.A. courses on fire, casualty and inland marine under the direction of Harry Hoffman of Phoenix of London.

Forty-Eighth ANNUAL STATEMENT

DECEMBER 31, 1948

ASSETS

| | |
|---|---------------------|
| United States Government Bonds | \$16,136,963 |
| All Other Bonds | 1,535,800 |
| Preferred and Guaranteed Stocks | 3,723,923 |
| Common Stocks | 10,478,316 |
| Capital Stock of Vigilant Insurance Company | 4,066,593 |
| Cash in Banks | 5,484,092 |
| Premiums Receivable not over 3 months due | 14,114 |
| Other Assets | 452,841 |
| TOTAL ADMITTED ASSETS | \$41,892,642 |

LIABILITIES

| | |
|--|---------------------|
| Unearned Premiums | \$8,807,086 |
| Outstanding Losses and Claims | 5,613,660 |
| Taxes, Expenses and Dividend Payable | 1,858,875 |
| Funds Held under Reinsurance Treaties | 646,935 |
| Non-Admitted Reinsurance | 3,567,403 |
| TOTAL LIABILITIES, EXCEPT CAPITAL | \$20,493,959 |
| Capital Stock | \$4,000,000 |
| Surplus | 15,425,182 |
| Unrealized Appreciation of Investments | 1,973,501 |
| Surplus to Policyholders | \$21,398,683 |
| TOTAL | \$41,892,642 |

Investments valued at \$869,596 are deposited with government authorities as required by law.

DIRECTORS

HENDON CHUBB, Chubb & Son

| | |
|---|--|
| WILLIAM GAGE BRADY, Jr., Chairman of the Board, The National City Bank of New York | ALEXANDER C. NAGLE, President, The First National Bank of the City of New York |
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FEDERAL INSURANCE COMPANY

CHUBB & SON, Managers

Ocean and Inland Marine • Transportation • Fire and Automobile
Aviation Insurance through Associated Aviation Underwriters

Pittsburgh Day Again Sets High Mark

(CONTINUED FROM PAGE 1)

a decision on North America's filing of a fire insurance rate deviation for certain classes in the Philadelphia, Philadelphia suburban and Allegheny county territories.

The banquet program was skilfully handled by Joseph W. Hubbard of the Hubbard Adjustment Co., the toastmaster. Gracious messages were spoken by H. B. Collamore, president of National Fire, and Charles S. Kremer, president of Hartford Fire, who formerly traveled in the western Pennsylvania field and who engaged in some reminiscences.

James Swan, the professional speaker,

made a big hit.

On the instructional side there was particular interest in the forum that was addressed by Seymour E. Smith, assistant secretary of Travelers on experience and schedule rating plans. Mr. Smith was in complete command of his subject and was hence able to explain the intricacies of these plans in lucid and simple fashion.

Frowns on Pure Mechanics

He emphasized that these plans are much more satisfactory in states in which a judgment factor is permitted,

than in states in which mathematical exactitude is insisted upon. Successful underwriting, he declared, cannot be carried on by the purely mechanical process of putting some numbers in one end of a mathematical formula and blindly following rates that come out at the other end of the formula. Sound underwriting judgment is a basic requirement for successful operation and this, for the most part, involves a proper evaluation of rates. He frowns on the theory that there should be a purely mechanical process for rating these lines of insurance with the companies competing strongly for those risks for which rates are profitable and the devil take those for which the rates are inadequate.

At proper rates, almost every risk is insurable but a certain degree of experienced underwriting judgment is required to determine these rates. The judgment factor is provided for in the experience and schedule rating plans through a schedule rating table that may be used to reflect such characteristics of the risk as are not reflected in the experience. These tables contain a list of those items which may be expected to have an effect on the hazards of the individual risk, and the maximum range of debits and credits which may be assigned to each item.

Necessarily Judgment Items

These are necessarily judgment items since complete statistical proof of such important but intangible factors as care and condition of premises, cooperation of management, maintenance of equipment, etc., is impossible without setting up such complicated, laborious and expensive methods of inspection and refinement as to be utterly ridiculous.

The overall effect of the schedule is limited to a maximum debit or credit of 25% for each line of insurance.

In addition to the schedule and experience rating plans, Mr. Smith dwelt on the provision that if the expenses for the risk are less than the standard allowance, the modification shall be decreased by the amount of expense reduction.

He said there is general recognition that the expenses involved in production and handling of the larger risks are, on the average, not as great proportionately as for the small risk. There is a great divergence of opinion in the matter of how to handle expense gradation and this indicates that the immediate solution to the problem is not to be found in any single fixed scale of commission gradation by size of risks. Expenses must not be so high as to price the companies and their agents out of the market on the larger risks. At the same time there must be enough money for the company to handle and service the risk properly and for the agent to meet his expenses and get a fair return for his services. The expense requirements of individual risks may vary as widely as their loss hazards.

Realistic Application

In certain states and for certain lines of insurance, the rate regulatory laws are very rigid and inflexible. Here fixed scales of expense gradation have been introduced and this has produced an improvement in the situation as compared with no expense gradation at all, but the results fail completely to recognize the expense differences between individual risks. In Pennsylvania the experience and schedule rating plans provide for a realistic application of expense requirements on an individual risk basis.

The plans, he emphasized, cannot be used blindly and their inherent flexibility requires a corresponding degree of responsibility.

It was brought out in answer to a question that there is likely to be a great premium on "know-how" in the competition for business on these plans. The agent who is able to present the most thorough underwriting picture of a risk, and who is able to evaluate his costs the most accurately, will meet with the

greatest success.

Mr. Smith was asked about how the companies operate in West Virginia, which has no casualty rating law. He said that the companies cannot agree among themselves on procedure to be used in West Virginia. Some companies, he said, are using the regular rating plans of other states for West Virginia, but in doing so they are acting on an individual basis.

Frederick A. Keller, vice-president of Appleton & Cox, brought out a number of interesting points in addressing the marine forum. He spoke of the comparatively new floor plan policies which, he said, were brought out to meet a demand on the part of mercantile interests. He said the insurance division of American Management Assn. desired to have this insurance provided by the marine all-risk route, because they objected to specific perils insurance. However, very few floor plan policies have been sold. That seems to be due to the necessarily high rate. He said there is a big gap in cost between the all-risk form and specific insurance, and he said that perhaps some form of coverage midway between should be provided. He said, for instance, that there is some doubt whether such items as refrigerators and electric appliances are good subjects for all-risk insurance.

Problem of O.S.&D. Claims

In treating the motor truck cargo line, he emphasized particularly the problem of accumulation of O.S.&D. claims that is brought to light when large scale truck operators become insolvent. Hence, the underwriters give a great deal of attention to the financial status of truckmen as well as to the physical condition of the equipment in passing upon risks. He pointed out that under the interstate commerce commission endorsement providing \$1,000 protection for the shipper and \$2,000 total protection in any one loss, the insurance company is obliged to pay the shipper in the event that the trucker does not pay in accordance with the truckmen's tariff or bill of lading liability, regardless of the conditions of the basic insurance contract. The insurance company may recover from the truckman for losses that are not insured under the basic contract, but if the truckman is insolvent, there is nothing to recover from. The big question then from the underwriting standpoint is what the I.C.C. endorsement will cost if the truck business fails.

NORTHEASTERN INSURANCE COMPANY OF HARTFORD

Year Ending December 31, 1948

Statement of Assets and Liabilities

ASSETS

| | |
|--|-----------------------|
| Cash | \$1,053,441.11 |
| U. S. Government Bonds | 3,773,988.25 |
| Canadian Government Bonds | 145,470.83 |
| Public Utility Bonds | 77,000.00 |
| Preferred Stocks: | |
| Public Utilities | 180,300.00 |
| Industrial and Miscellaneous | 522,930.00 |
| Common Stocks: | |
| Railroad | 86,800.00 |
| Public Utilities | 278,688.33 |
| Banks | 254,900.00 |
| Insurance Companies | 133,100.00 |
| Industrial and Miscellaneous | 1,859,710.00 |
| Reserve Funds Held by Companies | 54,780.49 |
| Balances Due from Companies | 599,149.24 |
| Accrued Interest and Other Items | 13,665.97 |
| Total Assets | \$9,033,924.22 |

LIABILITIES

| | |
|--|-----------------------|
| Reserve for Unearned Premiums | \$4,558,840.14 |
| Reserve for Outstanding Losses | 1,980,592.00 |
| Reserve for Taxes | 55,200.00 |
| Reserve for All Other Liabilities | 113,637.00 |
| Capital Stock | \$1,000,000.00 |
| Surplus | 1,325,655.08 |
| Surplus as Regards Treaty Companies | 2,325,655.08 |
| Total | \$9,033,924.22 |

Security valuations are on the basis as prescribed by the National Convention of Insurance Commissioners. On the basis of December 31st, 1948 actual market values, surplus would be increased by \$33,371.67 to \$1,359,026.75. Bonds deposited for purposes required by law are carried at \$398,007.41.

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about how the West Virginia, ating law. He cannot agree procedure to be. Some compa- the regular rat- for West Vir- they are acting

ce-president of out a number addressing the e of the com- policies which, t to meet a de- mercantile inter- nance division of ssn. desired to ed by the ma- e they objected ce. However, ecies have been ue to the nec- ead there is a e all-risk form d he said that everage midway ed. He said, is some doubt rigerators and good subjects

ms truck cargo line, y the problem D. claims that rge scale truck vent. Hence, great deal of status of truck- sical condition ng upon risks. r the interstate rorsement pro- or the shipper on in any one any is obliged event that the e accordance with bill of lading e conditions of ract. The in- over from the e are not insured t, but if the e is nothing e question then standpoint is nent will cost

OFFICE
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VERAGE)
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VERAGE)
BILITY
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URANCE
WORLD

W YORK

Of the personal property floater, he said there are some observers that con- sider that the present underwriting prac- tices are discriminatory in that the as- sured that makes an honest declaration of values is penalized. The problem is how to put all assured on the same basis. The question is being asked whether a co-insurance clause is the answer. Some way, he said, must be found to prevent recovery on the basis of, for instance, a \$15,000 policy when the assured buys only \$5,000 of cover.

Position of Agents

In answer to a question about the possibility of co-insurance being re- quired, Mr. Keller answered that if the agents should demand such a program, the rating bureaus would give much at- tention to it.

A question was asked about the pos- sibility of providing a larger P.P.F. de- ductible than the \$15 and \$25 plans that are now permitted by I.M.I.B. Mr. Keller said there is a growing demand for the introduction of a \$50 deductible and some even are advocating a \$100 plan.

In answer to a question as to whether another rate increase is contemplated for the unscheduled portion of the P.P.F., Mr. Keller said there is no such inten- tion, at least until the effect of last year's increase can be appraised.

Mr. Keller expressed the belief that the values will have to be adjusted down- ward on jewelry and furs. In answer to a question as to the proper depreciation on a fur coat, Mr. Keller said that the rule of thumb is 10% but that this is not necessarily correct.

Feimster Gives Talk

W. C. Feimster, Jr., executive gen- eral agent of General Adjustment Bu- reau, in speaking on business interrup- tion insurance, remarked that this type of insurance has been sold in this coun- try for some 85 years, and in all that time there have been only 32 appellate court cases involving controversy in the settlement. He expressed the belief that there is a great untapped market for business interruption insurance for any property that has a use value, even in- cluding dwellings. The way to develop this business, he said, is to convince life insurance companies and other lenders that this type of insurance should be re- quired. A life insurance company, he vouchsafed, would much prefer a busi- ness or homeowner to receive income while the facilities are being repaired so that he can pay his interest and prin- cipal amount. The lender would prefer to keep the mortgage and have the mort- gage receive income.

The speaker urged agents to impress upon assured that the insurance is an actual loss sustained contract. The manufacturing form is not a production form. The companies, he declared, should devote more attention to edu- cating their field men and agents in the principles of business interruption in- surance. He also expressed the belief that there should be a committee that can speak for the industry and provide uniformity of opinion on various aspects of the coverage. There have been some controversies that have taken months and years to clear up because of diverse interpretations on the part of insurers. In such situations the broker cannot be expected to give authoritative answers to his customers.

Ordinary Payroll Cover

Mr. Feimster was asked how the ac- tual loss sustained theory applies in con- nection with coverage on ordinary pay- roll. He replied that the theory carries through, that coverage is provided for payroll that has to be retained in order to resume business. The best evidence is that the payment was actually made to the employee even though the adjuster thinks that it was not necessary. If the insured paid it, thinking it was neces- sary, that is the best evidence. The as- sured, of course, should not run wild with the insurance money but even if he does so, the insurer is in a difficult position to deny liability. However, he emphasized that there could be no re-

covery simply on a promise on the part of the employer to pay his help if he can succeed in collecting from the insurance company.

Mr. Babb, in his talk, cited the great contribution that dynamic salesmanship has made to this country. He said that the high standards which the United States enjoys are not attributable to the natural resources of the country nor to greater production genius of the people, but rather to the finely developed art of creative persuasion.

He went on to say that the salesmen should be more interested in creating wants than in satisfying needs. Wants, he argued, make sales and needs do not.

The salesmen, he said, will decide, by what they do, whether the future will bring depression or prosperity, whether there will be continued inflation or re- turn to a sound economy. Unless every salesman succeeds in his efforts to sell the products of the country, the future will be drab. Although production is important, it is not the solution of all troubles. Unless the output is sold, the result is an unhealthy inventory and a sales liquidation problem entailing fright- ful losses. Too many people go into business because they know how to make a product and too few people go into business because they know how to sell it. Selling must occupy the spear-

head position in management.

He said that the opportunities in the field of selling should be impressed upon students.

Niceties of Language

F. A. McKennett, eastern claim man- ager of Zurich, in addressing a forum during the day, referred to some of the niceties of language that are involved in fashioning insurance contracts. The choice of words is always studied at great length but nevertheless people dif- fer as to the meaning of the words.

He pointed out that the liability poli- cies insure against liability imposed by law but this came to be referred to as

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legal liability. There is a vast difference, he said. Legal liability includes liability imposed by contract whereas liability imposed by law does not do that. He warned against referring to legal liability unless the intention is to include liability on contract as well as that arising out of torts and negligence.

Most insurance contracts embody the phrase "alleging such injury," in connection with the defense provision under which the insurer agrees to defend in the name of the insured and in his behalf any suit against the insured "alleging such injury" and destruction even if such suit is groundless, false or fraudulent. Courts have said that where a case in reality falls within the coverage the company cannot refuse to defend merely because the plaintiff's pleadings take it outside the coverage. If the plain-

tiff's pleadings state that the accident happened during the coverage of a particular policy, the insurer had better defend. If the pleadings allege an accident to have occurred outside the coverage period but the insurer in fact knows that the accident occurred within the coverage period, the company also had better defend. The policy draftsman is ever faced with the ever increasing demand for shorter contracts but with equally heavy demand for definition of words and terms within the contract itself.

Lesson from Court Case

Mr. McKennett referred to an argument between two insurance companies that got into court, involving the definition of automobile in the comprehensive general liability policy. In the definition

there is: Crawler-type tractor, farm implement, farm tractor or trailer, etc. The question was whether "crawler-type" modified only tractor or whether it modified all of the nouns in the sentence. The court decision was such as to indicate that if there are a number of nouns in a sentence and an adjective is used to modify only one of them, this one had better be put at the end of the sentence.

In his talk on "Insurance Focal Points," Mr. Bokman said that the three important situations in the business are rate making, national health insurance, and a return to competitive selling.

He urged that the rights of all who have a stake in the development of rate structures be taken into account and their relative importance reevaluated. The public must be considered first, Mr. Bokman said, and then recognition must be accorded the producer for the service he performs; the company according to its rights and a profit for stockholders; personnel according to expense allowances which will enable the business to attract and hold a superior type of manpower.

He warned that unless new approaches to the rating problem are adopted and the interest of all parties considered, the business may be destroyed.

The industry should take a vigorous opposition to national health insurance, Mr. Bokman declared. Many otherwise prudent insurance men have said that they are not interested in this subject because they write little or no A. & H. He termed this attitude unwarranted and if widespread throughout the business a guarantee of passage of some sort of national health bill.

Reactivation of sales ingenuity and development of new sales techniques and presentations are important tasks for the business today, Mr. Bokman said, and in the process the industry can help stop the flow of competent and qualified personnel away from the business.

Glenn Reitzel Is Heard

Advantages and opportunities in A. & H. selling were discussed at the A. & H. forum by Glenn E. Reitzel, agency director of the Brink agency at Detroit of Mutual Benefit H. & A.

Mr. Reitzel remarked that the A. & H. salesman is in strong competitive position for other business. If the agent is capable of insuring a prospect's income, certainly he is capable of insuring his home, his automobile, his business and obtaining his life insurance program.

A successful A. & H. man, he said, has carefully chosen the type of program to sell, the agency to represent and the home office organization for his clients.

Taking up those points in order, Mr. Reitzel said that the home office should offer the salesmen a program of goodwill through public relations, good sales material and merchandising know how, and a highly trained personnel to service business. The home office is constantly developing new and broader coverages. It develops with the business. Mr. Reitzel mentioned that home offices now give fast service in issuing policies and in answering letters.

Good agency morale if properly directed pays dividends in building and maintaining an outstanding sales organization. Among the fundamentals are a constant recruiting and training program and an inspirational educational program for the regular staff. The agency must devise recognition for leadership under a plan that is within the reach of many, even though a few go far beyond the requirement. Mr. Reitzel said an agency must be cooperative, progressive and geared to positive results.

Joseph W. Oliver, president of Pittsburgh Chamber of Commerce and insurance director of Pittsburgh Consolidation Coal Co., spoke at the luncheon. He discussed economic and cultural improvements in the Pittsburgh area.

E. H. Luecke, home office production supervisor of Fidelity & Casualty, gave a valued presentation of the sales oppor-

tunities that are offered by the policy.

May Recover More for Used Car Than Its Cost

LOUISVILLE — Kentucky court of appeals has held that the fair value of an insured car is its actual sales value as a used car, instead of what was paid for it a few months before it was stolen.

State Automobile Mutual offered B. Cox of Benton, Ky., the assured, \$1,398, the amount he paid for it. Cox got an award in Marshall county circuit court of \$2,082. The appellate court observed that the war had resulted in a tremendous increase in the value of used cars. Whereas before the war a drive around the block depreciated a new car to the status of a used car, after the war such a drive increased its value, as it became a used car and freed from price restraints.

The court ruled that the insurer, having guaranteed to pay full cash value, in case of theft, must be bound by those words and their meaning under conditions prevailing at time of loss.

N. D. Hail Fund Reports

The annual report of the North Dakota hail insurance department shows that in 1945 the state received premiums of \$1,264,878 and paid losses of \$1,039,004. The department had a net profit of \$22,113.

Amount of risk last year was \$25,743,152 on 25,025 policies. The average acreage insured per policy was 129 with an average risk per acre of \$7.97. There were 3,416 hail losses adjusted. The state fund now has a surplus of \$3,566,098.

Harry Bland of the Los Angeles office of Commercial Union celebrated his 32nd anniversary with the group March 1 and was guest of honor at a luncheon. Frank Spencer, manager at San Francisco, and Harry Sullivan, auditor, from New York, were in attendance.

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by mutual fire company: Special agent for Virginia, Maryland and part of North Carolina. Experience preferred. Give history and salary required. Our men know of this ad. Address T-42, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Reliable established Agency desires representation of a reputable fire company on an equitable commission arrangement. Interview strictly confidential. Leo G. Broering, 609 York Street, Newport, Kentucky.



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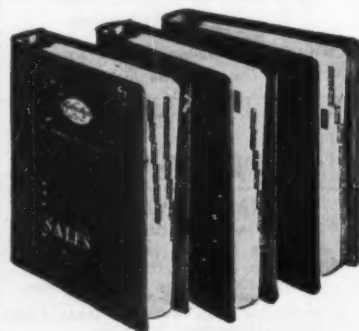
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| | Premia. | Paid Losses | Premia. | Paid Losses | Premia. | Paid Losses | Premia. | Paid Losses | Premia. | Paid Losses | Premia. | Paid Losses |
| American Eagle .. | 7,937,161 | 2,762,929 | 1,408,325 | 420,905 | 69,406 | 100,009 | 58,494 | 19,902 | 20,382 | 752 | 3,466,248 | 1,549,356 |
| Amer. General.... | 617,406 | 276,253 | 344,786 | 66,911 | 1,392 | — | — | — | 5,618 | — | 409,017 | 82,142 |
| Amer. Reserve .. | 3,501,586 | 1,723,164 | 537,028 | 146,106 | 38,094 | 61,421 | 9,813 | 3,643 | 5,160 | 1,816 | 61,146 | 22,332 |
| Appalachian .. | 61,187 | 7,652 | — | — | — | — | — | — | — | — | — | — |
| Birmingham, Pa. | 623,717 | 242,537 | 121,779 | 10,380 | 959 | 442 | 1,076 | 3 | 2,626 | 68 | 6,806 | — |
| Buckeye Union.... | 563,789 | 232,318 | 270,414 | 142,832 | 2,026 | 10,800 | 373 | — | 68 | — | 317,358 | 181,784 |
| Commerce | 1,891,114 | 898,732 | 343,839 | 124,650 | 16,272 | 18,388 | 7,070 | 1,906 | 7,282 | 927 | 839,907 | 302,451 |
| Comm. Standard.. | 58,129 | 48,602 | 49,987 | 16,834 | 80 | 678 | 12 | — | 252 | 7 | 16,798 | 1,022 |
| Continental | 33,617,261 | 13,587,020 | 5,667,157 | 2,357,929 | 1,044,262 | 1,069,810 | 174,737 | 58,160 | 104,077 | 11,114 | 13,362,377 | 4,667,153 |
| Equitable, S. C. . | 317,030 | 99,220 | 86,727 | 14,328 | 5,071 | 2,340 | 25 | 37 | 158 | 36 | 3 | 1 |
| Fidelity Phenix .. | 25,139,324 | 10,694,676 | 4,307,791 | 1,731,488 | 922,988 | 851,824 | 123,242 | 27,014 | 91,222 | 8,694 | 12,417,687 | 4,378,670 |
| German town | 957,453 | 61,324 | 249,451 | 3,433 | 7,668 | — | 4,779 | — | 1,176 | — | 54,658 | 498 |
| Glens Falls | 10,716,310 | 5,092,814 | 1,948,421 | 706,349 | 92,207 | 104,199 | 40,063 | 10,801 | 41,265 | 5,254 | 4,759,471 | 1,713,891 |
| Globe & Rutgers.. | 3,742,576 | 1,721,893 | 858,747 | 411,310 | 52,089 | 74,922 | 5,537 | 2,320 | 4,280 | 1,408 | 1,099,785 | 436,908 |
| Kansas City | 2,548,155 | 731,429 | 685,423 | 207,907 | 21,785 | 8,345 | 26,548 | 3,352 | 13,286 | — | 1,557,369 | 528,187 |
| Natl. Reins. | 1,667,913 | 1,286,432 | 203,682 | 116,529 | 162,443 | 355,652 | 8,400 | 4,590 | 24,119 | 953 | 54,314 | 24,326 |
| Natl. Union | 12,170,447 | 6,909,509 | 2,519,028 | 772,426 | 136,261 | 225,559 | 78,281 | 8,080 | 69,230 | 6,908 | 3,068,482 | 1,111,611 |
| Niagara | 12,284,272 | 4,445,881 | 1,966,496 | 681,893 | 95,124 | 97,178 | 84,327 | 23,389 | 18,177 | 710 | 5,586,933 | 2,664,919 |
| Northern Assur. . | 4,522,958 | 1,938,827 | 867,950 | 324,063 | 40,072 | 58,753 | 14,368 | 5,009 | 11,274 | 252 | 687,919 | 266,221 |
| Preferred Fire | — | — | — | — | — | — | — | — | — | — | 526,535 | 198,921 |
| Queen City | 42,498 | 4,176 | 11,898 | 1,451 | 11,766 | 1,505 | — | — | — | — | 46,087 | 13,679 |
| Reins. Corp. | 3,185,875 | 2,034,080 | 373,558 | 191,225 | 291,200 | 652,638 | 14,623 | 6,400 | 25,995 | 2,073 | 58,984 | 37,137 |
| Security Fire | 539,373 | 306,013 | 195,424 | 115,824 | — | 3,004 | 24,737 | 267 | 322 | — | — | 395 |
| South Carolina .. | 737,029 | 246,369 | 183,522 | 69,915 | 19,160 | 20,786 | 1,463 | 853 | 2,845 | 1,185 | 347,709 | 175,653 |
| State F. & C. | 537 | — | — | — | — | — | — | — | — | — | 145,485 | 32,823 |
| Transportation .. | — | — | — | — | — | — | — | — | — | — | 246,808 | 95,845 |
| Underwriters Fire. | 8,246 | 1,858 | 1,880 | 337 | — | — | — | — | — | — | — | — |
| Western, Kan. | 588,471 | 224,452 | 168,247 | 36,208 | 6,700 | 55,293 | 629 | 9 | 81 | — | 3,273,366 | 1,143,911 |

intendent L. C. McKamie who indicated their willingness to make needed improvements without delay.

Norris Is General Cover Assn. Assistant Manager

John R. Norris, special agent in Illinois for Royal Exchange, has joined General Cover Underwriters Assn. as assistant manager.

Mr. Norris is a 1937 graduate of Northwestern University where he majored in insurance. He started with Ohio Inspection Bureau and in 1940 joined Royal Exchange as special agent for the entire state of Illinois. The following year he went into the navy and was discharged in 1946 as a commander.

Eugene F. Gallagher, manager of special services for Planet, speaking before the Tulsa chapter of National Assn. of Cost Accountants stressed the important part played by insurance in reducing costs in business and industry.

Thomas P. Brophy, retired chief fire marshal of New York City, tells of the toughest arson cases of his career in articles currently appearing in the "Saturday Evening Post."

Herbert J. Lorber, president of Rollins, Burdick, Hunter Co., agency of Chicago, has gone to Florida for a month.

Leo H. Roy, chairman of the Michigan senate insurance committee, and a local agent at Hancock, is in Ishpeming hospital with injuries suffered when his car struck a road scraper during a snowstorm near Negaunee, Mich. Mrs. Roy was more seriously hurt, suffering a broken leg and possible internal injuries. Sen. Roy suffered head and leg cuts.

Founders F. & M. has applied for admission to New Mexico.

Town Inspection Plan Is Launched in Texas

North Texas Field Club staged a two-day inspection of Gatesville, this being the first town inspection to be conducted by a field club in that state. The program was modeled after that which has been conducted for 26 years in the middle west.

At a luncheon attended by 170, Clarence H. Kelley, Home, Dallas, president of the club, and State Fire Marshal Sanders spoke.

Mr. Kelley presented cash prizes to Camp Fire Girls who were winners in an essay and a poster contest.

Judd Stiff, Hartford Fire, captain of the school inspection team, reported at the luncheon that 9 schools were inspected and a total of 53 recommendations made to the principals and Super-

accept the truckers limited liability would eliminate all protection for shippers while enroute except for the \$50 limit. Since loss figures show that garments now are second only to textiles as a theft target, the situation is considered critical.

Several years ago fur losses were extremely heavy and truckers were forced to limit liability. Shippers had to have an agreement, as they could not ship without protection. Such an agreement was worked out.

"Babaco News" reports that truck theft losses generally are continuing to rise, with new cities on the loss lists and new targets, including wall paper, rugs, underwear, and television sets, reported.

Kansas City Assn. of Accident & Health Underwriters is arranging a sales congress on April 15.

Garment Shipping Problem Duplicates One in Furs

NEW YORK—The present insurance situation in the garment industry here, which does an estimated \$2 billion of business annually and whose products move at least once and often several times by truck, reminds "Babaco News" of Babaco Alarm Systems that the fur business went through the same thing several years ago.

Effective Jan. 1, garment truckers agreed to limit their liability to \$50 per shipment, per consignee, regardless of value, unless a greater value were declared in writing and a charge of 10 cents per \$50 of greater value paid. Shippers are not permitted under their transportation policies to exempt truckers from any liability because this would eliminate subrogation. Consequently, to

J. M. B. PETRIKIN.....Vice-President
G. N. GARDNER.....Vice-President
HERBERT HOOGSTRADE.....Treasurer

J. R. GARDNER.....President

HAZEL O'NEILL.....Secretary
H. W. HUSKINS.....Asst. Secretary
M. L. WALLACE.....Asst. Treasurer

FORTY-FIFTH ANNUAL STATEMENT

THE MERCHANTS FIRE INSURANCE COMPANY DENVER, COLORADO

DECEMBER 31, 1948

| ASSETS | | Liabilities | |
|---|----------------|---|----------------|
| Cash | \$ 214,270.82 | Reinsurance Balances | \$ 145,247.74 |
| Bonds (at amortized values)— | | Loss Claims in Process of Adjustment | |
| Note A: | | (Less Losses Reinsured—\$86,618.24).... | 207,091.23 |
| U. S. Government | \$2,345,159.62 | Accounts Payable and Accrued Expenses.. | 45,452.35 |
| State | 25,665.45 | Federal Income Taxes—Estimated | 1,297.45 |
| Municipal | 524,150.14 | Reserve for Unearned Premiums | 2,179,787.41 |
| | | Reserve for Possible Loss of Accounts | 5,000.00 |
| | | Reserve for Contingent Commissions | 24,000.00 |
| Total Bonds | 2,894,975.21 | Capital Stock | \$400,000.00 |
| First Mortgage Loans on Real Estate | 270,028.65 | Surplus | 761,580.76 |
| Accrued Interest on Bonds and Loans | 11,790.71 | | |
| Agents' Balances and Other Accounts | 372,391.55 | Total Capital and Surplus | 1,161,580.76 |
| Stock | 6,000.00 | | |
| | | | \$3,769,456.94 |

Note A—The amortized values as of December 31, 1948, have been computed on the basis approved by the Committee on Valuation of Securities of the National Association of Insurance Commissioners. The U. S. Government bonds include \$200,000.00 principal amount on deposit with the Insurance Commissioner of the State of Colorado.

POLICY HOLDERS' SURPLUS \$1,161,580.76

This statement is Based on Report Filed with the Insurance Commissioner of the State of Colorado

AMERICAN-ASSOCIATED

HEAD OFFICE

AMERICAN AUTOMOBILE

Financial Statement, Dec

ASSETS

| | |
|---------------------------------------|-----------------|
| Cash in Banks and Offices | \$ 5,356,631.18 |
| U. S. Government Securities | 36,775,783.39 |
| Canadian Government Bonds | 207,991.70 |
| Preferred Stocks | 110,500.00 |
| Common Stocks | None |
| Total | \$42,450,906.27 |

(Valuations on basis prescribed by National Association of Insurance Commissioners)

Stocks of Subsidiaries:

| | |
|--|-----------------|
| American Automobile Fire Insurance Company | \$ 3,324,577.26 |
| Associated Indemnity Corporation | 6,886,555.47 |
| Associated Fire & Marine Insurance Company | 282,134.03 |

| | |
|--|-----------------|
| Total | \$10,493,266.76 |
| Premiums in Course of Collection (Less than 90 days old) | 6,401,970.66 |
| Accrued Interest and Miscellaneous Assets | 682,295.77 |
| Total Admitted Assets | \$60,028,439.46 |

If bonds and stocks (except stock investment in subsidiaries) were valued at December 31, 1948 market quotations and if subsidiaries were carried at book value after reflecting December 31, 1948 market quotations for their respective securities, the assets would be \$60,200,855.24 and policyholders' surplus \$20,392,371.44.



ASSOCIATED INDEMNITY CORPORATION

(Wholly owned by American Automobile Insurance Company)

Financial Statement, December 31, 1948

ASSETS

| | |
|--|-----------------|
| Cash in Banks and Offices | \$ 1,432,667.04 |
| U. S. Government Securities* | 16,332,092.75 |
| Preferred Stocks* | 39,200.00 |
| Real Estate | 353,263.59 |
| Premiums in Course of Collection (Less than 90 days old) | 1,386,451.34 |
| Accrued Interest and Miscellaneous Assets | 88,020.64 |
| Total Admitted Assets | \$19,631,695.36 |

LIABILITIES

| | |
|---|-----------------|
| Reserve for Unearned Premiums | \$ 1,527,956.33 |
| Reserve for Losses and Loss Adjustment Expenses | 9,032,974.06 |
| Reserve for Taxes | 904,699.50 |
| Reserve for Commissions | 164,755.19 |
| Reserve for Policyholders' Dividends Declared | 1,100,099.21 |
| Reserve for Expenses and Other Liabilities | 14,655.60 |
| Total Liabilities except Capital | \$12,745,139.89 |

Capital Stock—Authorized, issued and outstanding
50,000 shares Common Stock, \$20 par value . \$1,000,000.00

Surplus 5,886,555.47

| | |
|--|-----------------|
| Surplus as regards Policyholders | 6,886,555.47 |
| Total | \$19,631,695.36 |

*The amortized and market values used in this statement are on the basis prescribed by the National Association of Insurance Commissioners. If bonds and stocks were valued at December 31, 1948 market quotations, the assets would be \$19,664,158.49 and policyholders' surplus \$6,919,018.60.

Securities carried at \$4,891,383.55 in the above statement are deposited for purposes required by law, and securities valued at \$25,676.91 are on deposit with others.

INSURANCE COMPANIES

SAINT LOUIS

INSURANCE COMPANY

December 31, 1948

LIABILITIES

| | |
|---|-----------------|
| Reserve for Unearned Premiums | \$17,983,098.32 |
| Reserve for Losses and Loss Adjustment Expenses | 18,145,977.82 |
| Reserve for Commissions | 1,604,269.57 |
| Reserve for Taxes | 1,992,448.72 |
| Reserve for Expenses and Other Liabilities | 82,689.37 |

Total Liabilities except Capital. \$39,808,483.80

Capital Stock—Authorized, issued and outstanding

500,000 shares Common Stock, \$4 par value \$ 2,000,000.00

Surplus 18,219,955.66

Surplus as regards Policyholders 20,219,955.66

Total \$60,028,439.46

Securities carried at \$2,086,450.42 in the above statement are deposited for purposes required by law and securities valued at \$100,401.78 are on deposit with others.

AMERICAN AUTOMOBILE FIRE INSURANCE COMPANY

(Wholly owned by American Automobile Insurance Company)

Financial Statement, December 31, 1948

ASSETS

| | |
|---|-----------------|
| Cash in Banks and Offices | \$ 1,360,882.66 |
| U. S. Government Securities* | 6,122,872.36 |
| Canadian Government Securities* | 213,191.49 |
| Agents' Balances (Less than 90 days old) | 1,631,930.57 |
| Accrued Interest and Miscellaneous Assets | 105,061.82 |

Total Admitted Assets \$ 9,433,938.90

LIABILITIES

| | |
|---|-----------------|
| Reserve for Unearned Premiums | \$ 4,516,558.03 |
| Reserve for Losses and Loss Adjustment Expenses | 637,436.43 |
| Reserve for Taxes | 622,754.49 |
| Reserve for Policyholders' Dividends Declared | 2,500.00 |
| Reserve for Expenses and Other Liabilities | 330,112.69 |

Total Liabilities except Capital. \$ 6,109,361.64

Capital Stock—Authorized, issued and outstanding

3,000 shares Common Stock, \$200 par value . . . \$ 600,000.00

Surplus 2,724,577.26

Surplus as regards Policyholders 3,324,577.26

Total \$ 9,433,938.90

*The amortized values used in this statement are on the basis prescribed by the National Association of Insurance Commissioners. If bonds were valued at December 31, 1948 market quotations, the assets would be \$9,405,618.25 and policyholders' surplus \$3,296,256.61. Securities carried at \$571,254.56 in the above statement are deposited for purposes required by law.



NEWS OF THE COMPANIES

Glens Falls Group Premiums Up 11.5%

Net premiums written during 1948 by the Glens Falls, Glen Falls Indemnity, and Commerce totaled \$43,851,280—an increase of \$4,538,132, or 11.5% over the preceding year, according to G. P. Crawford, president of the fire companies, and G. D. Mead, president of the casualty company. After providing reserves of \$983,800 for federal taxes, net earnings of the group were \$2,603,686 or \$4 per share as compared with \$1,290,662 or \$1.97 per share in 1947.

Glens Falls ended 1948 with net premiums written of \$23,926,209, an increase of 11.6%. Unearned premiums were increased by \$1,656,470 to a total of \$19,978,539. An increase in assets of \$3,165,684 over 1947 brought the figure to \$51,824,568. Total net earnings after taxes showed a profit of \$1,803,144 as compared with a profit of \$401,530 reported for the previous year. Net surplus Dec. 31 was \$15,013,576.

Glens Falls Indemnity in 1948 had net written premiums of \$15,702,799, increase 11.3%. Unearned premiums totaled \$7,758,273. An increase in assets of \$1,948,922 over 1947 brought the figure to \$29,982,018. Total net earnings after taxes showed a profit of \$629,590 as compared with a profit of \$868,356 in 1947. Net surplus was \$7,318,743.

Commerce ended the year with net written premiums of \$4,222,272, up 11.6%. Unearned premiums were increased by \$293,986 to a total of \$3,467,049. An increase in assets of \$628,576 over 1947 brought the figure to \$10,114,732. Total net earnings after taxes amounted to \$358,679 as compared with \$177,029 for 1947. Net surplus Dec. 31 was \$3,709,611.

Reinsurance Corp. to Broaden Underwriting

Reinsurance Corp. of New York, in its new statement, reports assets of \$13,234,243 and policyholders' surplus \$5,992,244. In excess of 50% of assets consist of cash, government and short-term securities, and these exceed all reported liabilities. The report reflects a handsome underwriting profit, and income from interest and dividends was greater than any previous year.

The internal underwriting arrangements have been changed. The company will now write business in its own behalf, while at the same time retaining its previous insurance connections through membership in Excess Reinsurance Assn. This is expected to result in increased premium volume and greater spread without any deviation from conservative underwriting policy.

Chegwidden Now V.-P. and Treasurer of Camden Fire

F. Harman Chegwidden, formerly treasurer of Camden Fire, has now been elected vice-president and treasurer. He has general supervision over the investment program in cooperation with Charles W. Makin, chairman and executive vice-president. He is vice-president of American Society of Chartered Property & Casualty Underwriters.

National Union Dividend

National Union Fire has declared a quarterly dividend of 35 cents a share, payable March 21 to stock of record March 1.

New Minn. Project

A new stock fire company to be known as Premier Ins. Co. of Rochester, Minn., is now being organized.

Upon completion of the sale of stock,

Premier Mutual Fire will be merged with the new company. Stock sales in the amount of \$300,000 are now being completed. Approximately 75 agents in Minnesota are already stockholders in the new company.

Fire Association Group Premiums Rose Last Year

Fire Association group wrote net premiums in 1948 of \$26,481,296 as compared to net premiums written in 1947 of \$22,981,516. Losses incurred by the group were \$11,626,295 which was 44.03% of premiums written as compared to 46.4% in 1947. Increase in unearned premiums was \$2,142,155, compared to \$2,527,985 in 1947. Gain from underwriting was \$1,107,721.

Fire Association premiums were \$20,036,072; Lumbermen's, \$3,093,307; Reliance, \$2,062,214, and Philadelphia National, \$1,289,702.

Agricultural Loss Ratio Was 17% Better in 1948

Premium volume for Agricultural was \$10,220,111 as compared to net premiums written in 1947 of \$12,971,648. The loss ratio for 1948 was 49.2% on earned premiums, an improvement of 17% over 1947. Policyholders' surplus increased by \$923,673 to \$7,050,445. A dividend of 75 cents on Agricultural stock was declared payable April 1 to stockholders of record March 15.

Premiums of Empire State amounted to \$2,555,028 as compared to \$3,242,912 in 1947. Increase in policyholders' surplus for Empire State was \$137,090, making a total of \$1,994,818.

Would Reduce Directorate

Stockholders of Home are being asked to act on a proposal to reduce the number of directors from 33 to 26 and to reduce authorized capital from 4,004,000 shares to an even 4 million shares and to eliminate 2,719 and an odd fraction of issued shares. This will reduce the capital from the uneven figure of \$20,018,595.48 to \$20 million.

Boston Raises Davidson

Boston has appointed Richard T. Davidson, manager of the investment department since 1942, assistant secretary. Mr. Davidson graduated from M.I.T. in 1928. From 1930, he was in the securities business and did considerable research. He joined the Boston in 1942 as investment assistant to the president.

Glens Falls has declared its regular quarterly dividend of 40 cents per share payable April 1 to stockholders of record March 10.

Capital of Allemannia was incorrectly

quoted in the Feb. 17 issue of THE NATIONAL UNDERWRITER as \$120,000. It was properly \$1,200,000.

FIELD

Fire Assn. Makes Changes in Michigan Field Setup

Fire Association has added a state agent to the Michigan field and divided the territory into three districts.

E. R. Chaufy becomes district manager supervising Wayne, Washtenaw, Oakland, Macomb, St. Clair and Monroe counties with headquarters at Detroit. He has been state agent in most of that territory.

The balance of Lower Peninsula, Mackinac, Luce, and Chippewa counties in the upper peninsula will be handled by Ralph E. Dixon, Jr., as state agent. Mr. Dixon is a graduate of Armour Institute and has been with Missouri Inspection Bureau, Marsh & McLennan and Fred S. James at Chicago, and most recently in the Michigan field for Boston.

The remainder of the upper peninsula will be taken over by P. J. Raffin, state agent in Wisconsin.

Russell Cullison in Ga. for Springfield F. & M.

Springfield F. & M. has appointed Russell S. Cullison as special agent in Georgia.

Mr. Cullison, who is the son of James B. Cullison, Jr., retired manager of Rain & Hail Bureau, graduated from the University of Illinois and took a special course in insurance at Illinois Institute of Technology. He started with Millers National at Chicago in 1938, and remained in head office until 1943, when he was transferred to Atlanta as special agent and manager of the southeastern department, supervising South Carolina, Georgia, Florida and Alabama.

State of Wash. Field Men Map Active Campaign

A public relations, educational and fire prevention program has been mapped by Washington Fire Underwriters Assn. President John D. McAnally, state agent of America Fore, states the association is purchasing a 16 mm. sound projector, and films from the National Board library will be made available through local agents' associations to service and civic clubs, and schools. Ed Smith, assistant state fire marshal, also is making films available.

A series of educational meetings for local associations throughout western and central Washington is planned by the educational committee, of which R. N. Davis, Hartford Fire, is chairman. There will be five teams of field men. The films will be shown and topics of

WANTED ASSISTANT CONTROLLER

A large multiple-line insurance group, writing nationwide all lines of insurance except life, is seeking a man as assistant Controller, approximately 40 years of age, for its Head Office staff, with training and experience in insurance accounting, statistics, reserves, annual statements, and taxes. Must possess knowledge of office procedures, auditing, systems, controls and have supervisory and management qualifications. Submit details of personal history, training, experience, education and small non-returnable photograph to Box T-58, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

THE
PHOENIX-CONNECTICUT
GROUP
of
Fire Insurance Companies



The Phoenix

Insurance Company, Hartford, Conn.

1855

The Connecticut
Fire Insurance Co., Hartford, Conn.

1850

FOUTABLE
Fire & Marine Insurance Company
Providence, R.I.

1859

ATLANTIC FIRE INSURANCE CO.
Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.
Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO.
White Plains, N. Y.

MINNEAPOLIS F. & M. INSURANCE CO.
Minneapolis, Minn.

RELIANCE INS. CO. OF CANADA
Montreal, Canada



HARTFORD
30 Trinity Street

CHICAGO
Insurance Exchange

NEW YORK
110 William Street

SAN FRANCISCO
220 Montgomery Street

MONTREAL
485 McGill Street



All Forms of Fire and
Property Insurance including
Ocean and Inland Marine
Country-wide Brokerage Service

TIME TRIED & FIRE TESTED

Changes Setup

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Chicago, and
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J. Raffin, state

Ga. & M.

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is chairman.
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educational interest discussed.

D. A. McKinley, Royal-Liverpool, chairman fire prevention committee, announced the association will concentrate this year on organizing local fire prevention committees in smaller towns. John G. Miller, Groninger & Co., public relations, is chairman.

West Texans Elect Lemmon

Haven D. Lemmon, Amarillo, state agent of Aetna Fire, was elected president of West Texas Field Club at its annual meeting at Lubbock. Tom P. Hamm, Lubbock, Trezevant & Cochran, is vice-president; Herman Brown, Lubbock, Commercial Standard, reelected secretary, and C. O. Hall, Abilene, Crum & Forster, reelected treasurer. Herndon D. Johns, Lubbock, Home, retiring president, was elected to the executive committee.

Oklahoma Towns Inspected

Eighteen Oklahoma field men and Assistant State Fire Marshal Smalley attended inspection of Wagner by Oklahoma Fire Prevention Assn. At the Chamber of Commerce luncheon, R. W. Wallace, Royal-Liverpool, was key speaker.

Seminole will be inspected April 14. R. E. Vernor, Western Actuarial Bureau, Chicago, will be the luncheon speaker.

To Form Austin Puddle

Alamo Blue Goose, San Antonio, will hold its April meeting at Austin, to institute the Austin puddle. Twelve applicants were elected to take their first swim on that occasion. Charles Beale, grand welder, and John C. Leissler, Jr., grand deputy most loyal gander, will be invited to attend.

Goodwin in Pa. Field

Thomas J. Goodwin, Jr., has been appointed special agent for Commercial Union at Pittsburgh, traveling the western Pennsylvania field. Mr. Goodwin was for several years with the Middle Department Assn. of Fire Underwriters.

Ohio Blue Goose Plans

More than 250 are expected to attend the annual meeting of Ohio Blue Goose at Cleveland March 7. Perry Holm, Fireman's Fund, is chairman of arrangements, and he will be assisted by Wade Wissler, Automobile; John Weddell, Western Factory Assn., and Earl Nelson, Yorkshire.

Three of the grand nest officers will attend, J. Ray Hull, grand supervisor; Paul Carson, deputy M.L.G.G. for Ohio, and Eugene F. Gallagher, deputy M.L.G.G. at large from Detroit.

Padgett to N. C. Field

Samuel F. Padgett, III, has been named state agent in North Carolina for Virginia F. & M. For two years Mr. Padgett has been state agent for that company in northern Virginia.

Blake Named in Nebraska

Springfield F. & M. is opening an office in the Woodmen of the World building, Omaha, with Walter N. Blake as state agent in charge.

Mr. Blake has had training in the western department office at Chicago and in the Kansas field.

Aetna Fire Names Stevens

Earl C. Stevens has been named special agent for Aetna Fire at Dallas. He joined the Aetna southern department in 1947. He served four years in the armed forces. He attended Tulane and South Carolina.

Robert E. Foster, Michigan state agent for Michigan F. & M., is addressing the Rotary at St. Louis, Mich., on March 3.

Sunflower Blue Goose puddle has designated March 21 as "most loyal gander day," honoring W. F. Ehret,

America Fore, Wichita, who was recently elected to the office to fill out an unexpired term.

San Francisco Blue Goose at the Feb. 28th meeting saw a film demonstrating the material used by National Auto Thief Bureau in police school instruction.

Women's auxiliary of Alamo Blue Goose, San Antonio, heard Mrs. Fred Crawford, who attended the inauguration of President Truman, describe the ceremonies. Mrs. J. C. Griswold resigned as secretary and Mrs. W. C. Lawrence was elected to succeed her.

Kan. Commissioner Cool to Compact Proposal

Commissioner Sullivan of Kansas has released a letter he has written to Insurance Director Stone of Nebraska in response to the latter's proposal that the interstate compact principle be put into effect on the part of a number of western states as a means of promoting greater efficiency and economy in insurance supervision. Mr. Sullivan expresses the belief that an interstate insurance compact is not the answer to the threat of federal regulation.

He refers to the fact that Mr. Stone had cited as successful precedents in-

terstate compacts in the matter of oil conservation, and in respect of rivers. Mr. Sullivan remarks that these compacts deal with the matter of conservation and equitable division between states of natural resources. The compact as proposed for the regulation of insurance is a departure from that theory in that it is for the purpose of promoting cooperation between states in administering present regulatory laws and other matters. Heretofore these matters had been dealt with by uniform laws rather than by compacts. Mr. Sullivan said he is heartily in sympathy with such a program on the basis of cooperation between states.

The compacts for oil and gas and water rights do not tend to limit or control the authority of the states to fix rates, or in any other way limit the regulatory authority of the state over the commodity concerned within the state. While uniformity of procedure is a desirable end, he declared, it is apparent that there is such a divergence between existing laws and regulations of the states that the proposed commission would not be able to function as any more than a clearing house of information and this would be only a duplication of presently existing organizations within National Assn. of Insurance Com-

missioners and Council of State Governments. He said he is not going on record as definitely opposing the Stone proposal, however, but states the Kansas legislature has only six more weeks to go and this will not permit giving the matter proper consideration.

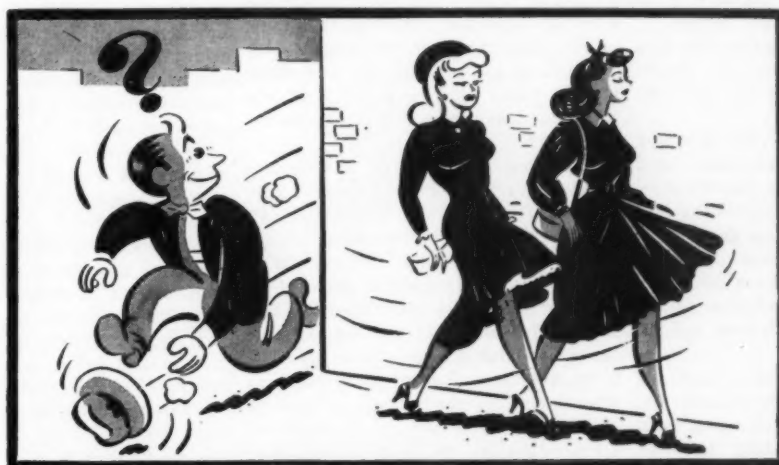
Unauthorized Bill in Ia.

DES MOINES — A bill by Sen. Bekman, chairman of the senate insurance committee, would make it a misdemeanor for anyone to solicit insurance in Iowa who is not licensed to do so.

The house passed a bill to require that all persons or organizations engaging in the insurance business, except fraternal and employee benefit associations, must incorporate under the state laws.

The senate insurance committee reported out for passage a bill which would reduce the insurance premium tax for domestic companies from 2% to 1%.

Thomas Watters, Jr., New York City attorney, returned to the office on a part-time basis this week. He was taken ill at Chicago a few weeks ago, and recently has been recuperating at St. Luke's Hospital, New York City. Last week he went home.



"This is one of the few problems my
KANSAS CITY field man cannot help me solve!"

Rescuing your hat from the March wind is a service your Kansas City field man may not be on hand to perform.* But when your problem is increasing your income, your Kansas City field man gives you the service you need and want, working to help you build your business and please your clients. What's more, every officer and director of The Kansas City is working for you in the same friendly, practical way.

Many of The Kansas City's officers and directors have had years of experience in meeting the problems of local agents, and our convenient location... near you... has helped these men to become thoroughly familiar with the practical needs of Western insurance agents.

Since our home office is right in the heart of our territory, fast response with your special requests is always available.

Whether it's solving a difficult underwriting problem or the prompt settlement of losses, you can count on The Kansas City!

Monty T. Jones
PRESIDENT



*You can bet he would if
he were there!

KANSAS CITY Fire and Marine
INSURANCE COMPANY
KANSAS CITY, MISSOURI

EDITORIAL COMMENT

Critical Juncture for Agents Body

The two agents associations, numerically the largest groups in the business and in political potential the most powerful, simultaneously find themselves without an executive secretary. There are other parallels between the current positions in which National Assn. of Life Underwriters and National Assn. of Insurance Agents find themselves. Because each is at a critical juncture in its history, in addition to securing a man to fill the most important post in the organization it has to do some re-assessing of the kind of job it has to offer. This means that the agency leaders are giving some thought to the objectives the groups should strive for and appraise the course ahead.

There are some curious parallels between the men who have occupied these posts with the two groups. For example, both are leaving the agency to enter the company ranks, Frank C. Colridge to go with Pacific Board, a fire company organization, and James E. Rutherford reportedly to go with Prudential.

Both men are hard workers, able, and extremely personable, and both have done an exceptionally fine job for their groups—so much so that their departure leaves the two associations faced with a tough replacement problem. Both are men of big caliber who have wielded a lot of influence in a period of great importance to agents, associations, and insurance in general.

The two associations have been going through a critical time, partly because insurance has been changing from a local into an interstate business, legally and economically. This change has occurred somewhat coincidentally with substantial increases in membership and the appearance of some very real problems that have tended to emphasize activities at the national level. For example, both have been concerned with the earnings of their members. Both have hired actuaries and have delved a good deal further into research than ever before.

N. A. I. A. has grown substantially in membership in the last few years. It is big numerically and in the importance of the job it has to do. The issues before it are vital to individual agents and are especially vital to the general position of the agent in the insurance economy.

They are legislative and protective. This is one of the traditional roles of the association. They include the raising of standards for agents. The as-

sociation should provide strong programs and specifically to promote education of agents. This is another branch of the raising of standards. They should provide strong public education, strong membership campaigns. They should provide public and customer relations.

Today, both legally as a result of the S. E. U. A. case, and actually in an economic sense, the emphasis has shifted a lot from local and state to the national level, and the association would be unrealistic if it did not assume a greater part in the affairs of its members and in the affairs of the business as a whole.

One problem that has to be solved is whether the executive secretary shall be an administrator, or a policy-maker, or both. The times have seemed to call for the latter. N. A. I. A. has a staff of around 35, it has a big budget, there are a lot of important activities that must be directed, the manager must be able to work out and put into effect a budget. On the policy side, he is, after all, the man who does give continuity to the organization.

The great weakness of a voluntary organization is that it is loosely knit. Individuals give up rights as individuals reluctantly. It is hard to achieve a common ground on which the association can go forward as a single unit and effectively accomplish anything. A skillful, popular, able man with considerable energy and force is absolutely essential if the association isn't to deteriorate into a weak club for the periodic recognition of a member who gets to be president. Unquestionably, the man should have managerial ability and experience.

Should the executive secretary act only after he is authorized to do so by the executive committee or some other committee, or should he direct operations, initiate projects, do some of his own thinking—a thing he is in better position to do than any committee man devoting only a few hours each month to the subject—and then come up with something for the committee to act upon?

Many think that in view of the growing need of influence at the national level he should be an administrator and a policymaker. He should initiate studies and ideas with his own people.

The executive head of an association can get into places that a committee cannot. For example, as executive secretary of the N. A. I. A. he can sit down with someone in the banking field and discuss various subjects. He can

get a good idea of what can be done of a constructive nature, and then proceed to articulate it through his elected association officials. The reliance upon committees to initiate and complete projects for the executive secretary to carry out leads to long and ineffectual delays. The executive secretary is an unofficial fact finder. He can move easily and swiftly across the scene. He can test the attitudes of company people, of other businesses.

The strength of any association is in its leader. Consequently, it is not a matter of choice but if the association is to go forward, the post that is open should be made attractive enough to invite a very able man. He should have as broad a background as possible. Certainly this is a post on which it would not pay to be picayunish.

N. A. I. A. needs a research organization that can look into all phases of the business, but particularly the agency end. It must have a public relations program and continue its fine work in the educational field. It has to deal with government. There should be a good interchange of information, territory to territory, so that it can move promptly and with intelligence. It should cooperate with other trade associations in other business fields. Its head should be a man capable of appearing on the program of any other business group; someone those business groups would be proud to present, who could make an impression with general ideas and at the same time be capable of providing technical advice of the first order.

Rating organizations today, particularly in the casualty and surety and inland marine fields, are national in procedure. There is a tendency in the fire business to look at rating more and more on a national basis. The effect has meant that N. A. I. A. increasingly has had to meet problems of this sort at a national level. It used to be that the states could handle most of these problems, along with most of the problems of legislation. This no longer is

true.

The plans are drafted at the national level. By the time they get to the state, it is often too late for agents to bring about any change. Suppose there were a tailor made rating plan for each state, it would be almost impossible to operate in the insurance business today. While the fire end is local in character, rating men are trying to achieve uniformity in many directions. It isn't any longer a strictly state business. To regard it in that way is to create trade barriers.

Take agents' compensation. It is doubtful if often a commissioner will inquire into what the agent gets, in a direct way, but the subject comes up incidentally with other matters, as in the Virginia automobile commission case and rate reductions of North America in Pennsylvania.

Agents are going to be in a precarious position if they attempt to do as they have in the past, simply use general political influence to accomplish their objectives. They can and have thrown their weight around in a general way on legislation and other matters. But they found that to do this in connection with the North America case in Pennsylvania would have gotten them into public relations difficulties. Commissioners today are getting exhibits on rates, they are demanding support to justify rate changes. More and more they are asking for facts on which to base judgments. It just doesn't add up that with this philosophy on the loss portion of the premium dollar they are not somewhere not too far away going to begin to insist on the same kind of figures on the acquisition portion.

Thus, the agency business must know what it costs to do business, and this research must be done by someone. Some states are equipped to do it, but even in these states, studies will not provide the full picture. They will still have to have the national figures in order to create a statistically true showing for the particular state.

PERSONAL SIDE OF THE BUSINESS

Home tendered a luncheon to E. R. Ledbetter, Oklahoma City local agent, in honor of his 25 years' representation at which he was presented a plaque by Warren Gravely, secretary, from the home office. Guests included I. M. Hughes, state agent in Oklahoma, members of his staff and of the Ledbetter agency.

E. R. Hindley, coast manager of National Fire who has just been elected a vice-president, is a graduate of Sheffield Scientific School of Yale. He served in the air force in the first war, then spent three years in India with Standard Oil of New York. He joined National Fire

in 1923. He served in the home office and in the Pennsylvania field. In 1938 he was transferred to New York to take charge of the country-wide binding and service office as general agent. In 1939 he went to San Francisco as associate manager. He is a member of the National Board's committee on incendiary and arson and of the executive committee of Pacific Board.

John A. Diemand, president of North America, has returned from a 10-day Florida sojourn.

Mayo C. Tabb of Richmond, formerly with Tabb, Brockenbrough & Ragland local agency, headed by his

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Flatiron Bldg.,
Bland, Pacific

father, Garnett Tabb, for many years,
and now with Boswell & Curtis, was
married there to Maria Brown Gregory.

George S. Valentine, Jr., Philadelphia,
manager of the eastern department of
Ohio Farmers, who has been away from
his office since November on account of
illness, is reported at this time to be
very much on the mend.

Edward A. Logue, of Pittsburgh,
state agent of State of Pa., is now in
full operation after having been away
on account of illness about two months.
He is some 25 pounds shy of his former
weight and aims to maintain his svelte
figure.

John M. Thomas, president of Na-
tional Union Fire, and **Charles F. Thom-
as**, retired manager of Western Under-
writers Assn., have started off on a
motor trip to renew old associations in
Kansas and Texas.

DEATHS

Arthur J. Ham, former insurance com-
missioner of Wyoming, who recently
had been an examiner for the Arizona
department, was found dead in his hotel



ARTHUR J. HAM

bed at Tucson where he was engaged
in examination of a fraternal society.
He was scheduled to go on for the ex-
amination of California-Western States
Life Feb. 27. His age was 59.

Mr. Ham became Wyoming commis-
sioner in 1935. He went to Sheridan,
Wyo., in 1911 with Armour & Co. Later
he became deputy county treasurer and
then was with Sheridan National Bank
and Sheridan Trust & Savings Bank.
He had been an examiner for the Ari-
zona department off and on for a num-
ber of years. At one time he served as
western resident manager of Union
Reserve Life which was domiciled in
Texas.

Funeral services were held at Kansas
City for **Lt. Howard M. Coomber**, who
was killed in action at Okinawa in 1945.
Mr. Coomber, of the class one agency

of Willock & Coomber, had also served
in the first war.

Lawrence C. Palmer, 57, president of
Bruner-Goodhue-Cooke-Cranz agency,
Akron, O., died of a heart attack. He
started with the agency when he was
15 years old.

Aetna Fire Promotes Three in Marine Department

Aetna Fire has made three promo-
tions in the marine department. **Mal-
colm R. Goslee**, underwriter in the in-
land marine department, has been ad-
vanced to marine agency supervisor;
Maurice A. Gressett, special agent in
Louisiana, has been promoted to ma-
rine superintendent of the New Or-
leans marine department, and **John F.
Hazen, Jr.**, marine underwriter, has
been appointed special agent in Ala-
bama, Louisiana and Mississippi as-
signed to the New Orleans office.

Mr. Goslee joined Aetna in the au-
tomobile department in 1937 after grad-
uation from Trinity College. He was
transferred to the inland marine de-
partment in 1940. In 1943 he joined
the F.B.I. as a special agent, returning
to the inland marine department in
1946.

Mr. Gressett is a marine underwriter
of long experience in the southern field.
He traveled the southern states for 13
years before joining Aetna in 1939 as
marine special agent.

Mr. Hazen joined Aetna in the ma-
rine department in 1940 following grad-
uation from Trinity College. He en-
tered the navy in 1942 and attained
the rank of lieutenant.

Am. Auto Buys Possible Home Office Site

American Automobile has acquired
title to a plot of ground located at the
southwest corner of Spring avenue and
Lindell boulevard, St. Louis, directly
opposite the Sheraton hotel and front-
ing 170 feet on Lindell boulevard.

President **O. L. Schleyer** stated that
the property was purchased for a long-
term investment and possible site for
the future head office. He explained
that a program for construction at
some time in the future is expected to
be explored, although the company has
no intention of building at present.

Guarantee House Warming

Guarantee Ins. Co. held an opening of
its new home office building on Wil-
shire boulevard, Burlington avenue and
Shatto street, Los Angeles, with some
500 government and commercial leaders
attending. **J. R. Deering** of the com-
pany, was host.

The building is highly modern. It
contains 30,000 feet of floor space. The
modern style gives a home-like atmos-
phere and efficient layout.

Bohlinger A. & H. Speaker

A. J. Bohlinger, deputy New York
insurance superintendent, will speak at
the March 22 dinner meeting of A. & H.
Club of New York.

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Home Office Building, Dallas

46th ANNUAL FINANCIAL STATEMENT

December 31, 1948

ASSETS

| | |
|---|------------------------|
| Cash in Banks and Offices | \$ 1,463,598.35 |
| *U. S. Government Bonds | 2,801,999.20 |
| †Public Utility Bonds | 18,320.00 |
| *Municipal Bonds | 277,002.53 |
| *Industrial Bonds | 504,500.00 |
| Mortgage Loans | 258,941.09 |
| Collateral Loans | 134,965.00 |
| Savings and Loan Investments | 1,053,372.68 |
| †Public Utility Preferred Stocks | 640,865.00 |
| Industrial Preferred Stocks | 289,000.00 |
| †Bank Stocks | 2,992,634.00 |
| †Insurance Stocks | 321,546.00 |
| Republic Indemnity Co. Stock (A wholly owned subsidiary) | 400,000.00 |
| †Railroad Common Stocks | 27,300.00 |
| †Public Utility Common Stocks | 271,078.06 |
| †Industrial Common Stocks | 1,024,998.00 |
| Agents' Balances—Not Over 90 Days | 646,747.55 |
| Premium Notes | 412,934.45 |
| Home Office Building | 167,266.49 |
| Eastern Department Building | 98,882.41 |
| Pacific Coast Department Building | 101,322.72 |
| Due from Reinsurers | 96,279.14 |
| Other Assets | 52,664.95 |
| | \$14,056,217.62 |

LIABILITIES

| | |
|---|------------------------|
| Unearned Premium Reserve | \$ 7,937,116.35 |
| Reserve for Losses in Process of Adjustment | 372,785.00 |
| Reserve for Taxes | 290,000.00 |
| Other Liabilities | 22,380.94 |
| Contingency Reserve | 666,545.99 |
| Capital | \$2,000,000.00 |
| Surplus | 2,767,389.34 |
| | 4,767,389.34 |
| | \$14,056,217.62 |

*Amortized.

†Value as established by Insurance Commissioners Committee on Valuation of Securities.
U. S. Government Bonds of the par value of \$565,000.00 are on deposit with the Insurance
Departments of the various states in accordance with legal requirements.

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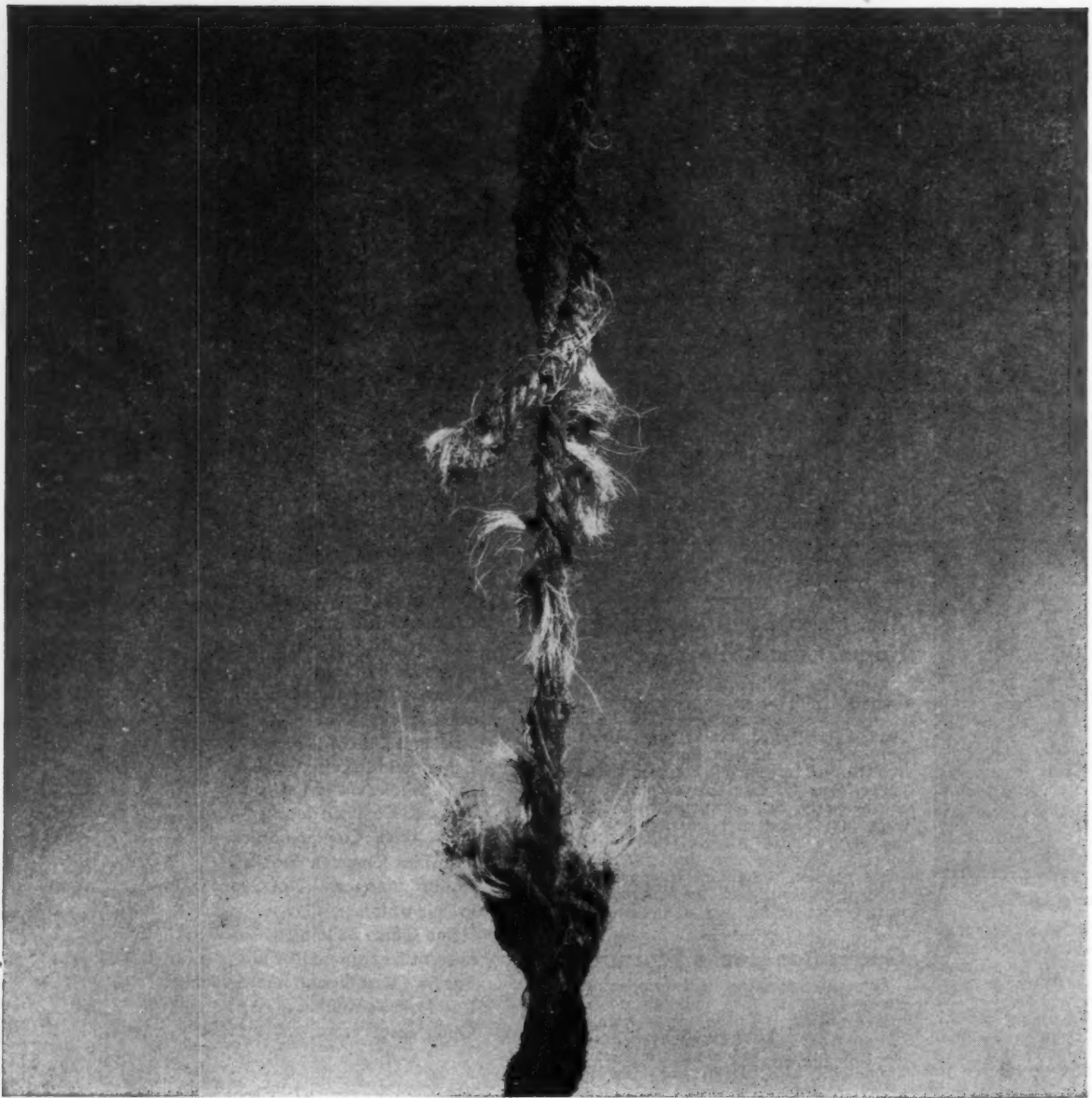
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Face Acquisition Cost Control Issues in N. Y.

N. Y. Producers, Companies Disagree on Commission Bill Hearing

ALBANY—A bill to authorize cooperative commission agreements among companies discussed at a hearing of the joint legislative committee on insurance rates and regulation here ran into unanimous company opposition. Agents' and brokers' associations, the latter with some exception, strongly favored the bill, and some suggested amendments could be included.

The companies contended that the bill is unnecessary, and stated that no commission war is in prospect to make it necessary although they reserved the right to return at another time if, in their opinion, such a bill was needed.

The agents and brokers supported the bill in principle but asked that a clause prohibiting excepted city commission variations be dropped, and the inclusion of terminology which would strengthen the provisions in the bill authorizing them to consult with companies on commission problems.

Situation Is Tolerable

The business has lived for a year without commission agreements, J. Raymond Berry, general counsel of National Board, said, and for the time the companies see no need for them. There is no commission war in the offing, he stated, and the need for the legislation has not made itself felt. Like most of the other witnesses, he said he had not seen a copy of the proposed legislation until a few minutes before the hearing started. He pointed out that the proposal was different from the mimeographed copy mailed out by the committee 10 days before the hearing.

Referring to attorney General Goldstein's opinion that the acquisition cost conference was illegal, he said that, with all due respect to the attorney general, that opinion was not a decision of the court of appeals and consequently not legally binding. There are cases which differ with that opinion, he said.

On questioning he said he realized that the bill would make agreements permissive but not mandatory, but that permissive agreements have in recent years had a habit of becoming compulsory.

Victor Herd Speaks

There is no assurance that commission wars are in the offing, J. Victor Herd, vice-president of America Fore, said. Consequently the legislation is not needed, he stated. He concurred with Mr. Berry generally and added that the fire company rating structure is different from the casualty, and that the business wouldn't go to the dogs in the next 12 months without commission agreements.

The bill gives the insurance superintendent too much authority, John R. Barry, president of Corroon & Reynolds, said. He is supposed to regulate, not manage the business. He also asked what would happen to those producers who are not members of associations and he estimated that only 10% of the state's 17,434 agents and 21,175 brokers are association members. The bill legalizes rate wars, he said, because all producer's aren't bound by it. He urged that more study be given the bill.

Ray Murphy Opposes

Opposition by Assn. of Casualty & Surety Companies was expressed by Ray D. Murphy, general counsel. He said there is a loophole in the bill because it doesn't say what control the super-

Commission Fixing Combinations Not Contemplated Under Rating Act

NEW YORK—The Acquisition Cost Conferences, which have operated in the casualty and surety field some years, have been held illegal by Attorney General Goldstein of New York. Superintendent Dineen had asked for the opinion.

The conferences now existing are private agreements among insurers fixing the rate of agents' and brokers' commissions and restricting the number of certain classes of producers, the opinion read. These agreements violate the Donnelly act unless regulated under article VIII, the rating section, of the insurance law. The attorney general finds that that article neither authorizes nor regulates such agreements. The superintendent has no control over amounts of commissions to be paid even though he controls the premium charges to the public as filed by companies or through rating organization.

Article VIII Doesn't Cover

Specifically, he states that service and advisory organizations sanctioned by article VIII do not contemplate commission fixing combinations. It was on this point that those interested in the conferences thought they achieved legality.

The attorney general suggests also that if the stabilization of commissions through company agreement is desirable or necessary, express legislative authority is essential. It is interesting to note that it was only a couple of days prior to the issue of the Goldstein opinion that the Mahoney committee of the New York legislature called a hearing on the bill to legalize such agreements among companies—with the consent of producers. The bill gives the superintendent authority to regulate such agreements. To constitute proper regulation that will exclude federal intervention, legislative authorization must provide restrictions and supervision safeguarding the interests of the public and others concerned, Mr. Goldstein stated. The right of agents and brokers to deal collectively and be heard seems to be a necessary requirement, as is provided in pending legislation, Mr. Goldstein points out. Unless some such measure is enacted, company agreements limiting commissions are unlawful.

intendent will have over commission agreements arrived at by independent companies. He agreed with other company spokesmen and said more time was needed to study the attorney general's opinion.

Stronger provisions for the rights of producers to discuss commissions with companies were asked by John C. Stott, president and interim executive secretary of National Assn. of Insurance Agents, also a local agent of Norwich, N. Y. He disagreed with the company spokesmen and condemned their refusal to discuss commission problems with producers. He asked that the excepted city provision be dropped and also that the section placing a maximum on commission be omitted. He also asked consideration for those agents who spend time and money in servicing business by handling claims, adjustments, etc. Finally he urged that a record of what consultation with producers had transpired be kept so that authorities could determine if they were given fair treatment.

Jay W. Rose, secretary New York

Bad 1949 Start on Highways, Jan. Deaths Up 8%

The 1949 motor vehicle death toll got off to an unfavorable start in January with an 8% increase over January of 1948. National Safety Council believes the mild winter in the populous east may have been the chief cause.

The January toll was 2,330. In the same month last year it was 2,160.

The effect of unseasonably good weather, which boosts travel, was apparent in the North Atlantic states, where the January death total was 48% higher than last year. The South Atlantic and South Central regions also had death increases.

The 468 cities of 10,000 or more population reporting to the Council in January had an average death increase of 6%.

State Assn. of Insurance Agents, concurred with Mr. Stott, and asked that the hearing provisions for aggrieved parties be broadened. Emil T. Cloud, president, Buffalo board, concurred.

Provision to retain the higher commissions for local agents in New York City were asked by John C. Weghorn, president of Assn. of Local Agents of New York City, and the association's counsel, John N. Wells.

They pointed out that their members handle many details such as underwriting and inspection, which are actually company functions, in addition to paying brokers' commissions, and consequently should be reimbursed for those expenses by higher commissions. Consultation with companies should be more than a mere formality they said, and asked that the bill at least authorize them to enter into agreements among themselves to bargain collectively with the combined insurers. Stanley W. Corsa, president Brooklyn Fire Agents Assn., concurred.

Insurance Brokers Assn. of New York through George N. Ort, executive secretary, opposed the bill but asked for time to confer with his principals.

Brokers Support Bill

Led by Alex Goldberger, of the Brokers Assn. joint council, the associations representing smaller brokers, in the five boroughs of New York City, unanimously supported the bill. At the present time, brokers cannot talk to anyone about commissions, he said, and they should have this right. Companies are inclined to reduce commissions and brokers have no way to oppose the move, he stated. "Why wait until we have a commission war to do something?" he asked. He concluded by supporting the proposals of the agents' associations, and his views were approved by all representatives of the joint council's member groups.

Admitting that the bill was temporary, Superintendent Dineen, supported it as amended by the agents' spokesmen. He agreed that there was not as great need for it now as there might be but suggested that it is better to be prepared. He also said its need was decreased by the existence of rate regulatory laws which leave but a small portion of the expense dollar to wage war with.

He said that the uniform accounting regulations will enable the department to check more closely into acquisition costs and better supervise company expense elements. Then, assailing company talk of the need to preserve their freedom to contract with producers, he said producers have no corresponding freedom. They can only negotiate within a predetermined limited range, he said.

The insurance business has a tendency to postpone till tomorrow any decisions

(CONTINUED ON PAGE 30)

Mich. Midyear Draws 559 to Detroit

Association Votes to Go Ahead with Extensive Group Coverage Plan

DETROIT—The midyear meeting here last week of Michigan Assn. of Insurance Agents had a registered attendance of 559, and 607 tickets were sold to the banquet Thursday evening



R. A. Bradley



W. O. Hildebrand

at the Book-Cadillac Hotel. This was one of the largest meetings ever, and the report of administration given by President Russell A. Bradley, Ann Arbor, showed that the membership is at a new record of 727 member agencies representing approximately 2,500 agents.

At the business session, members directed the officers to proceed with a group plan which would provide coverage to members and office personnel for A. & H., hospitalization, medical care and life insurance.

The success of the meeting was a tribute to the work of Secretary-Manager Waldo O. Hildebrand. Every session ran off smoothly and the large attendance which these meetings always achieves is a demonstration of the effectiveness of Mr. Hildebrand's planning.

"Agents Only" Session a Hit

The "agents only" round-table discussion Thursday afternoon proved one of the most provocative and instructive sessions of the meeting, with more than 400 agents present. Ray Van Kuiken, president Grand Rapids association, won a steakknife set as the prize for the best answer to a question presented. The question concerned the advisability of eliminating the requirement that an assured sign the coinsurance clause application. Urging retention of the requirement, Mr. Van Kuiken explained: "By signing the coinsurance clause application, the assured is reminded of the meaning of coinsurance. This affords the agent an ideal opportunity of explaining the clause and reviewing values and offering service to the insured."

One suggestion arising from this session, that the companies design a fire loss form to give the adjuster all the information, thus eliminating an extra trip to check coverage on agents' daily reports, is to be taken up with the companies through the conference committee.

A question as to why the safe driver's 15% premium rebate should not be reinstated brought an answer that company facilities and loss ratios do not warrant such action.

It was stated at the Friday morning breakfast conference on education that

(CONTINUED ON PAGE 40)

Layoffs Generate Friction on Group A. & H. Cancellation

The increasing number of employee layoffs in industry has aggravated long-standing dissatisfaction on the part of labor unions with customary immediate cancellation of group A. & H. cover when a worker is laid off. Layoffs of covered employees are bound to cause extra bookwork and inconvenience for all parties concerned, but it is chiefly on this one point that friction has developed.

In at least one state, labor objections to cancellation of group A. & H. at layoff have been translated into legislative action. Assembly bill 221, A, in Wisconsin would give the employee who is laid off or discharged a 90 day grace period in which his group A. & H. would remain in force.

The bill would force employers and insurance carriers to furnish insured employees a notice in writing 30 days in advance of a layoff or discharge. This notice would afford the employee the opportunity to pay his share of the A. & H. premium for the 90 days following

the termination of his employment, but would not permit cancellation in case he did not pay the premium.

This bill, which is backed strongly by organized labor, runs strongly counter to general practice. Group accident and sickness cover is customarily cancelled immediately the last monthly premium runs out. This coverage is designed to replace wage income from a given plant, and when the employee is taken off his rolls, the responsibility of the employer ceases. Insurance people have found that the continuance of A. & H. protection to workers during layoffs greatly increases the moral hazard. Employees develop illnesses to draw insurance money with which to supplement their unemployment pay, a perversion of group A. & H. into unemployment coverage.

No Necessity to Pay

Another obviously bad feature of the bill from the point of view of the insurance industry, is the extension of the grace period for 90 days. Insurance men point out that an employee who is laid off would be covered 90 days, but would feel no obligation or necessity to pay his part of the premium.

The question does not arise in the case of group life insurance, where coverage is customarily continued for three

months after a layoff. In group life, the employee has the conversion privilege. Hospitalization, medical and surgical covers usually are continued for three months after layoff.

Employers or trustees retain the power to continue insurance coverages as long as they wish in case of layoffs. Generally the attitude has been very lenient. The employer hopes to be able to rehire the people. He does not want to work hardship upon them. He wants to retain their good will. There are many examples where group coverages, other than A. & H. have been continued for a number of months while employees were laid off at considerable cost in contribution to the employer.

Section Programs for Statistical Association

Section programs have now been completed for the annual meeting of Insurance Accounting & Statistical Assn. at Edgewater Beach hotel, Chicago, May 19-21.

Speakers for the combined fire and casualty sessions including A. & H. are Earl C. Fay, Liberty Mutual, on combined annual statements; Brady Bryson, Chapman & Bryson, federal taxes; C. G. VanderFeen, National Surety, regulation 30; T. C. Morrill, New York department, progress report on regulation 30; Kellum Johnson, Gulf, determination of overdue premium for annual statement purposes.

At the fire sessions the speakers are J. J. McGauley, Badger Mutual, claim reserve adequacy testing; A. H. Benson, Lumbermen's Mutual, collection of accounts; Dr. Clyde H. Braves, Mutual Insurance Statistical Assn., and W. D. Hall, National Automobile Underwriters Assn., coding problems.

The casualty session speakers are T. O. Carlson, National Bureau of Casualty Underwriters, automobile rate making; W. D. Hall, rate making for physical damage coverages; Vestal Lemmon, National Assn. of Independent Insurers, rate making procedures contemplated for use by the independents; E. S. Skillings, Allstate, and K. W. Lorah, Farmers Insurance Exchange, testing and maintaining adequate loss reserves; Joseph Linder of Wolfe, Corcoran & Linder, schedule "P" reserves.

For the A. & H. sessions speakers are R. B. Savage, Wisconsin National Life, persistency records in A. & H.; H. E. Monor, Metropolitan Life, inclusion of A. & H. accounts in life insurance annual statements; J. H. Rowell, Lumbermen's Mutual Casualty, temporary disability benefits; W. E. Sather and Mr. Kloth, North American Life & Casualty, machine methods of billing A. & H. premiums; D. J. Schonberg, Mutual Benefit H. & A.; A. J. Schese, North American Accident and H. A. Reeve, Constitution Life, the new schedule of loss experience.

At the annual meeting action will be taken on a proposal to set up a separate section for A. & H. insurance with equal standing with the sections on life, fire and casualty.

Bars Unlicensed 'Phoning

Commissioner Thurman of Kentucky has directed A. & H. and hospitalization insurers to discontinue telephone solicitation unless the persons making the calls are licensed. Commissioner Larson of Florida has issued similar instructions. Mr. Thurman said that he has been advised that there are some companies that maintain a staff to engage in telephone canvassing to obtain leads and prospects. This ruling, he said, doesn't apply to any clerical help that may be necessary in performing any of the functions provided for agents, general district state or special agents.

Insurance Women of New York will hold its annual bridge party March 12. Proceeds are used to send underprivileged children to summer camp and for other charities.

Insured Wins Hospital Issue

Commercial Travelers Casualty has been held liable by Texas court of appeals under a hospital and surgical contract for an appendicitis operation that was performed more than 30 days but less than 180 days after the effective date of the policy. The case was Commercial Travelers Casualty vs. Johnson et ux.

The effective date of the policy was Aug. 20, 1947, and Mrs. Johnson was operated on for acute appendicitis Jan. 16, 1948. The waiting period provision of the policy reads in part: "The insurance hereunder is against loss due to hospital residence and surgical operation (a) . . . ; (b) resulting from sickness the cause of which had its beginning after this policy has been maintained in force for not less than 30 days from the effective date. . . ; (c) resulting from surgical operation (except in connection with accidental injury) and/or any diseases (sick) which is not common to both sexes, the cause of which had its beginning after this policy had been maintained in continuous force for not less than 180 days after the effective date of the policy."

Section (c) Not Applicable

The court ruled that since an appendectomy is common to both sexes, sub-division (c) has no application to this case and that the policy covers loss due to hospital residence and surgery resulting from sickness having its beginning after 30 days from the date of the policy. Subdivision (c) according to the court, limits and negatively modifies (b) to the extent that if the hospitalization and operation resulted from a disease "not common to both sexes" there would be no liability unless the disease and operation had their beginning after the expiration of 180 days.

The insurer also objected to the fact that the claimant had not been required to prove, as provided in the contract, that the items of expense were "in accordance with the usual, customary and regular charges for such services and materials in the immediate locality where such services and materials were rendered and furnished."

Question of "Customary" Charges

The court concluded that so long as the items claimed and sued for do not exceed the maximum amounts promised by the insurer to be paid for the corresponding items in the policy schedule, there is no good reason existing requiring the insured to prove that such amounts are usual, customary and regular charges in that locality. The insurer did not challenge the amounts of the items but contended that the insured should be required to prove that the amounts were usual, customary and regular. The judgment here was \$312 including \$98 for hospitalization, \$75 for operation, \$10 for ambulance, \$10 for anesthetic, \$15 for operating room and \$3 for laboratory fee.

Okla. Group A. & H. Ruling

Commissioner Dickey of Oklahoma has ruled that group accident and health insurance as defined in the Oklahoma laws may cover husband, wife and children, and any other member of a family who resides with and is dependent on the head of the family for support and maintenance.

Okla. Rate Probe Authorized

OKLAHOMA CITY — The Oklahoma house has adopted a resolution authorizing an investigation of insurance rates. A five-man committee was appointed, headed by Rep. Langley of Muskogee, author of the resolution. The investigation is directed mainly toward workmen's compensation rates based on alleged reports that they are so high they are becoming a barrier to locating new industries in Oklahoma.

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DO YOU BELIEVE
That William Tell
Shot An Apple Off
His Son's Head?

The story is purely
legendary. William
Tell never existed.

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HAWKEYE-SECURITY helps every agent to build sales, not only by providing complete and comprehensive Casualty and Fire Coverage but by providing every "tool" to help him build sales.

Among the reasons why the trend is to Hawkeye-Security are Prompt Settlements of Claims . . . and Field Representatives who work closely with every agent.

HAWKEYE CASUALTY CO.
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Outlines Comprehensive Liability Sales Proposal

The necessity of safeguarding every commercial concern with modern comprehensive insurance was emphasized by Francis W. Potter, field supervisor of Aetna Casualty, in an address given during Pittsburgh Insurance Day.

Two years ago, he recalled that he sold the same group Aetna had sold 5,000 O. L. & T. policies the year before, yet in the same period had sold only 8,000 comprehensive liability policies. In 1948 the number of O. L. & T. policies sold increased from 65,000 to 120,000; and the number of comprehensive policies from 8,000 to 14,000. Most agents, apparently, still have not waded up to the advantages of the comprehensive form, he declared.

Having seen some of the large costly liability claims paid by commercial concerns, he said it is hard for him to understand how any good agent could allow himself to sell the antiquated individual O. L. & T., or individual automobile policy to a commercial buyer. The reason can't be price because, except for the coast territory, the minimum qualifications and the 1% extra premium charged for the so-called "unknown hazard" have been abolished, and the minimum comprehensive charge today is only \$10 for B.I. and \$2.50 for P.D. under each of the automobile and general liability sections.

Gives Selling Talk

Mr. Potter outlined a method for selling the comprehensive type policy to a prospect.

"Mr. Jones, how would you like to have a contract that would provide up-to-date protection in the event that you are sued by some member of the public for bodily injury or property damage, whether based on some negligence caused by you or your employees, either in the contract of your place of business or away? I have a contract which will cover your automobiles, your employees driving their cars in your business, cars that you may hire or goods shipped by you in vehicles provided by independent contractors. In addition, this policy will cover your premises, your manufacturing operations, your elevators, your case, injury caused by your products after they have left your premises, additions and structural alterations by independent contractors and other claims brought against you because of bodily injury to some member of the public due to your operations.

"If you add a new location, if you take on a great many more employees, if you buy more trucks or acquire a new sales office in a distant city, you are automatically covered for all these additional operations. Mr. Jones, we will set up a premium based on your present exposures and operations and at the end of the year, we will check with you to see what changes there have been in any of your exposures. We'll give you an additional bill for any increased or additional exposures and a return check for any exposures that have been eliminated. It works just like the meter for our electricity. In other words, the policy with all its provisions will always be there when you need it—yet you pay only for what you use."

Questionnaire Not Complicated

Mr. Potter emphasized that the questionnaire necessary for writing comprehensive is not long nor complicated and in the average case it can be completed in less than an hour.

On the larger risks, a completed proposal can be made up with items of coverage rated in detail. Then, with this proposal in front of the prospect, it is a simple matter to run down all the coverages listed and give him an opportunity to vote on each item.

"Suppose, for example, that the buyer looks at the products liability section, notes that he is being charged \$100 for

B.I. and \$40 for P.D., and says he does not wish this coverage.

"If you were the agent, you would simply write under this item the words 'not wanted,' turn to the prospect and say: 'Will you please put your initials after the words not wanted?' The prospect will usually say: 'Why do you want

my initials?' You would reply: 'I want to be prepared in the event a loss occurs and I am asked "Why didn't you protect me for this exposure?"' 'But,' replies the prospect, 'what would my employer say if he should be faced with a judgment of \$15,000 and finds that I have signed away this protection?'

Usually, the prospect will ask for more explanation of the coverage; and with plenty of claim illustrations to offer, the agent stands a good chance of getting the order for every item.

Mr. Potter advised that before starting out to solicit a comprehensive policy the agent familiarize himself with

the various types of claims that apply under each section of the contract.

Change Trading Method

U.S.F.&G. stock, which has been listed on the Baltimore stock exchange, will not be listed on the new Philadelphia-Baltimore stock exchange, the directors have decided. The trading will be in the future exclusively in the over-the-counter market.

A bill for perpetual licensing of agents is before the Indiana legislature and is accorded an excellent chance of passage.

Fifty-Ninth

ANNUAL STATEMENT

DECEMBER 31, 1948

ASSETS

| | |
|---|---------------------|
| United States Government Bonds | \$17,980,988 |
| All Other Bonds | 1,569,908 |
| Preferred and Guaranteed Stocks | 2,974,102 |
| Common Stocks | 6,355,309 |
| Cash in Banks and Offices | 3,226,126 |
| Premiums Receivable not over 3 months due | 270,938 |
| Other Assets | 495,493 |
| TOTAL ADMITTED ASSETS | \$32,872,864 |

LIABILITIES

| | |
|--|---------------------|
| Unearned Premiums | \$7,008,704 |
| Outstanding Losses and Claims | 5,690,341 |
| Taxes, Expenses and Commissions | 1,457,313 |
| Funds Held under Reinsurance Treaties | 1,427,925 |
| Non-Admitted Reinsurance | 2,752,173 |
| TOTAL LIABILITIES, EXCEPT CAPITAL | \$18,336,456 |
| Capital Stock | \$2,000,000 |
| Surplus | 11,199,469 |
| Unrealized Appreciation of Investments | 1,336,939 |
| Surplus to Policyholders | \$14,536,408 |
| TOTAL | \$32,872,864 |

Investments valued at \$1,273,795 are deposited with government authorities as required by law.

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HENDON CHUBB, Chubb & Son

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J. P. Morgan & Co., Incorporated

PRESCOTT S. BUSH, Brown Brothers Harriman & Co.

PERCY CHUBB 2nd, Chubb & Son

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EMORY S. LAND, President,
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The Prudential Insurance Co. of America

ARCHIE M. STEVENSON, Bigham, Englar, Jones & Houston

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CHUBB & SON, Managers of the Casualty Department

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Aviation Insurance through Associated Aviation Underwriters

Insurer Loses Unloading Issue

Under the loading and unloading clause of a comprehensive auto liability policy, the insurer is obliged to defend an action brought by a person injured when a metal coal-hole cover turned, alleging that this cover had been insecurely refitted by the driver of a truck after having made a delivery of coal. The accident occurred about 3½ hours after the truck had departed. The decision was given by the western Missouri federal court in *Maryland Casualty vs. Dalton Coal & Material Co.* et al.

Here coal was delivered to a building at Columbia, Mo., by truck equipped with belt conveyor. The driver removed the cover from the coal chute, which was not fastened and lacked any fastening device. After unloading the coal, the driver wiped the inside of the rim in which the manhole cover rested and replaced the cover inside of the rim. Hours later Geraldine Reid fell into the coal opening when the cover turned as she stepped on it.

Mrs. Reid and her husband brought suit. *Maryland Casualty* denied liability to defend on the ground that the

replacing of the coal-hole cover was in no way connected with the use of the truck; that the accident was not covered under the loading and unloading provision because the act of unloading was completed when the coal had been delivered.

M.F.A. Mutual, which had a general liability policy for Dalton, also denied liability.

The court held that part of the unloading operation was to replace the covering as it was found and otherwise to leave the sidewalk free of obstructions or defects so far as his operations were concerned.

An intention to cover such an act, according to the court, is found in the labeling of the contract as "comprehensive" as well as in the fact that it contains the loading and unloading provision.

The court directed *Maryland* to pay \$350 attorney's fees of Dalton incurred in defending the suit. M.F.A. Mutual was relieved of liability.

Detroit Office Moves

The Detroit office of the National Underwriter Co., of which A. J. Edwards is manager, has moved to 532 Lafayette building. Telephone number remains the same—Cherry 2826.

Producers, Insurers Disagree at N. Y. Hearing

(CONTINUED FROM PAGE 27)

which can be made then he said. If commission wars start we should be prepared, he argued. If they do, and the bill has not been passed, the legislature may be criticized, he stated.

Although the business is not remotely prepared to accept the idea of collective bargaining, he said, "we are in an era of it. In 10 or 20 years it will probably be the accepted custom. This bill represents someone's toe dipped lightly into the water of collective bargaining," he continued.

"The business must do some soul searching. If companies want to agree with their competitors on the commissions they'll pay, then they must consult with producers in arriving at that price."

The fire and casualty companies were brought into the earlier part of the hearing on life company investments when Mr. Dineen said that in the future the fire and casualty companies may eventually have to contribute to an assessment now scheduled to be made against the life companies. Although the fire and casualty companies have few transactions now in the privately placed loan fields, he said that in the past year he had a vexatious series of problems with one stock fire company. It gave him more trouble than the activities of all the life companies combined he said. The assessment is only to be levied against life companies under the present legislation.

Senator Mahoney, committee chairman, appeared only briefly at the hearings. He is heading a senate group from Buffalo which rebelled at the size of Governor Dewey's state budget. The senator was to make a broadcast over a state wide radio hookup a few hours after the hearing in support of his arguments that the state budget be reduced.

Hearings Start on Public Assistance Phase of SS

WASHINGTON—Hearings on the public assistance phase of the Truman social security program were expected to last 10 days or more before the House ways and means committee. Discussion of OASI will follow.

Social Security Commissioner Altmyer estimated the cost of the administration's "home relief" plan, including cost of medical care, for all needy, would be \$200 to \$250 million annually.

Howard M. Starling, Washington representative of Assn. of Casualty & Surety Companies, is listed among witnesses to appear on OASI at the hearings. Mr. Starling doubts that he will personally appear, but says a special committee of his association will present testimony opposing any provision for compulsory disability benefits in the administration's program, whether temporary under unemployment compensation, or total and permanent under OASI. This committee was named to study social insurance extensions.

M. Albert Linton, president of Provident Mutual Life, and member of the recent social security advisory council, may appear at the hearings, insurance observers believe.

Montana Bills Signed

Gov. Bonner of Montana has signed a surplus line insurance bill which is comparable to that in a number of other western states. He has also signed bills to increase workmen's compensation benefits, a bill to permit the state hail insurance fund to insure crops on irrigated lands at \$20 an acre, to authorize county rural mutual insurers to use 5% of revenue for educational purposes.

A bill to provide for an insurance law recodification committee has been passed by both houses and sent to the governor.

Gov. Bonner has vetoed a bill to permit filing of damage actions against the

state without permission of the legislature. He said this bill meets the fond dreams of lawyers and litigants, and that it would leave the state wholly unable to defend itself because the legislature had not provided an appropriation with which the attorney general could employ counsel to defend lawsuits. He observed that the state carries liability insurance on its automobiles and that "meritorious claims undoubtedly will be paid when presented to the legislature where no insurance is involved."

W. C. Benefits Increases in Pennsylvania Likely

HARRISBURG, PA.—Administration bills to increase workmen's compensation and occupational disease payments are to be introduced in the legislature soon.

W. H. Chesnut, state secretary of labor and industry, has conferred with industrial leaders and labor officials separately, and industry has agreed to boost the present \$20 maximum to \$30 except in the coal mining field, where a \$3 boost is offered. Labor is asking for a \$10 increase to a maximum of \$40 a week.

Lester Thomas, legislative representative of United Mine Workers, said mine owners offer to agree to a \$5 boost against miners asthma is removed from the list of occupational diseases. UMA turned down this offer.

Both AFL and CIO state leaders have indicated they are not satisfied with the rate increases offered by industry and say they are going to push for passage of their own bills in the assembly to increase benefit payments. AFL is asking for a dependency clause in the bill under which a recipient would get, in addition to the going rate, an extra \$10 a week, to a maximum of one-third of his compensation, for each dependent in his family. Compensation for illness contracted while off duty will also be asked by AFL.

Taxi Rating Change in Va. Provides Relief

The new specified car rating basis for taxicabs in Virginia will give cab companies considerable relief, as compared with the formula established last Oct. 1 by the state corporation commission, which called for an earnings base where three or more public livery automobiles were involved and for mileage when five or more taxicabs were concerned.

National Bureau of Casualty Underwriters and the Mutual Casualty Insurance Rating Bureau now will develop formulas under which the rating process may be transferred from the specific car base to an earnings base for public livery (same type of vehicle as taxicab except it doesn't have a meter) and to mileage basis for taxicabs. When the formulae are completed, which will require some time, they will be filed with the commission for approval, and then put into effect with insured where the latter desires. The expectation is that the formulae will be generally applied in other states.

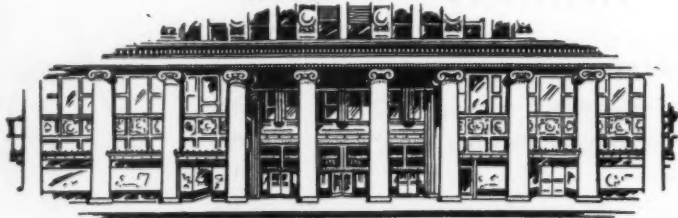
Only large taxi risks are apt to switch to a mileage basis, ones which keep mileage records for its own purposes such as the rental of tires, and so on.

New Field for Insurance

Bronx Supreme Court Justice Brisson has ruled that a tenant's window ledge television antenna is okay if the tenant purchases \$10,000/\$20,000 public liability insurance to protect the landlord in case of an accident attributable to the antenna. The landlord had sued to have the antenna removed because of the hazard.

Merrill K. Davis of Salt Lake City was honored as the outstanding young man of 1948 by the State Junior Chamber of Commerce. He is secretary of the Salt Lake and Utah Assn. of Insurance Agents and is now a member of the Utah legislature.

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HAVE YOU THOUGHT ABOUT IT?

Information on Request

"SHAW SERVICE SATISFIES"

Three Contributory Negligence Bills Introduced; Six States Have Laws

So far in the current legislative season four bills have been introduced in three legislatures dealing with contributory or comparative negligence.

In New York senate bill 1093 would add to the civil practice act legislation providing that contributory negligence if proved by the defendant would not bar recovery but that damages would be diminished in proportion to the amount of negligence attributable to the person injured or killed or to the owner or person in control of the property. This measure also would amend the decedent estate law to the same effect.

There is also in the New York assembly a bill providing that contributory negligence may be imputed to the owner of a motor vehicle operated by others with permission.

North Dakota Bill

North Dakota has a bill (H. B. 243) to provide that in all tort actions neither the negligence of the plaintiff nor the defendant shall bar recovery if the negligence of the party seeking recovery was not as great as that of the person against whom recovery is sought. Damages would be diminished by the jury in proportion.

In Tennessee, S. B. 207 provides that in actions based on negligence the contributory negligence of the injured party shall not bar recovery but shall be considered in mitigation of damages.

These bills, except the one on imputed negligence, generally follow laws on contributory or comparative negligence now in effect in six states. Those laws are:

In Georgia, if the plaintiff by ordinary care could have avoided the consequences to himself caused by the defendant's negligence, he is not entitled to recover. In other cases the defendant is not relieved though the plaintiff may in some way have contributed to the injury sustained.

In Iowa in actions by passengers versus common carrier defendants, the latter may plead and prove contributory negligence in mitigation of damages. The plaintiff need not plead or prove freedom from such negligence.

Damages Reduced Proportionately

In Mississippi, the fact that the person injured or the owner of the property or the person in control of the property may have been guilty of contributory negligence shall not bar recovery, but damages are diminished proportionately to the amount of negligence attributable to the injured person, or owner, or person in control of the property. The question of negligence and contributory negligence is for the jury to determine.

In Nebraska if the contributory negligence of the plaintiff is slight and the defendant's is gross, the contributory negligence is no bar to recovery but the plaintiff's contributory negligence shall be considered in mitigation of damages.

Otherwise the Nebraska statute follows the Mississippi law. The South Dakota law is substantially the same as in Nebraska.

In Wisconsin, contributory negligence doesn't bar recovery by a plaintiff or his

legal representative, if such negligence was not as great of the person against whom recovery is sought, but any damages are to be diminished by the jury in proportion.

Companies Generally Opposed

The companies generally oppose—contributory or comparative negligence legislation on the ground that it leads to

more cases and more judgments. However, some think the net result of a comparative negligence statute is probably to reduce the size of verdicts enough to offset an increase in frequency. Companies usually object to anything tending to increase the number of cases because of the addition to costs that this entails.

Apparently the companies would rather stand on a win or lose all basis. The cases they lose cost them more but are fewer; they would lose more cases under the comparative negligence doctrine, where they might win the case if no such doctrine were reflected in the

statutes and the plaintiff is guilty of contributory negligence.

There is growing concern among company claim men over the trend in size and frequency of bodily injury verdicts. It is becoming more difficult for even the most seasoned claim men to judge whether to make a test in court of a case, or to estimate in advance the size of the verdict. This may have some bearing on the fact that there are those in the business who consider it possible the comparative negligence doctrine might provide a means for holding down the size of verdicts to something that is reasonable.

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T. L. HAFF U. S. MANAGER
E. BRANDLI, Asst. U. S. MANAGER



CASUALTY
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REINSURANCE

Insure Overseas Tour of Philadelphia Orchestra

The Philadelphia Symphony Orchestra has procured insurance through the New York office of Newhouse & Hawley to cover loss of expenses due to total or partial cancellation of engagements during its tour of Great Britain May 22-June 17, resulting from war or inability of members of the orchestra to appear by reason of accident or sickness. A. N. Christian is manager of the New York office of Newhouse & Hawley.

CHANGES IN CASUALTY FIELD

Md. Casualty to Set Up Iowa Headquarters

Maryland Casualty, it is reported, is preparing to open an Iowa branch service office at Des Moines in charge of W. A. Browne.

Mr. Browne is presently manager of the agency department at Chicago and for a good many years has been looking after business in Iowa and has many associations in that state. He is warmly regarded by his friends in the agency ranks. He started with the Haas & Howell agency of Atlanta and then about 1925 went to Chicago with the Rollins, Burdick, Hunter Co. agency and with special Maryland Casualty ties. Later he became directly attached to the Maryland Casualty branch.

Daenzer Asst. Secretary of Conn. Indemnity

Bernard J. Daenzer has been elected assistant secretary of Connecticut Indemnity. Two years ago, the agency development department was formed by

the Security Group with E. O. Redwitz in charge as assistant secretary of Security and East & West and Mr. Daenzer as superintendent of agencies for the fire and casualty companies. Mr. Daenzer will continue with production work of the agency department.

Mr. Daenzer is a graduate of Fordham College and Fordham University law school, and a member of the New York bar. He previously was six years with Loyalty group as casualty underwriter in New York and special agent in suburban New York before joining Connecticut Indemnity at Chicago. He traveled 13 states in the middle west as special agent. Then he managed the service office at Detroit for the Security companies, before serving two years in the navy as a lieutenant. He is a C. P. C. U.

Allstate Appoints Reynolds, Frederick, Schroeder Officers

James A. Reynolds, Jr., Enoch A. Frederick and Edward H. Schroeder have been appointed assistant vice-presidents of Allstate.

Mr. Reynolds becomes head of the operating department. After a period in the Los Angeles branch he was manager at Philadelphia. He served in the

army and then went to the home office, becoming operating manager. Recently he has been manager at Atlanta.

Mr. Schroeder, a graduate of Chicago law college, joined Allstate in 1936 as a claim examiner. He became claim manager at New York and in 1941 became home office claim manager. In 1947, he was appointed manager at New York and continues in this post.

Mr. Frederick is a graduate of the Boston university and De Paul law schools. He went with Allstate in 1939 in the claim department. He was manager of the east central, midwestern, and Illinois branches prior to 1947, when he became manager of Los Angeles, in which capacity he continues.

Light Promoted at Dallas

American Automobile has promoted M. R. Light to assistant branch manager at Dallas.

Mr. Light joined the company in 1945 as a senior underwriter at Dallas, and was made underwriting manager in 1947. He attended Southern Methodist University and served three years in the army.

Three Join G. A. B. on Coast

General Adjustment Bureau has named three casualty adjusters in the Pacific department.

Lou M. Carroll, who has had 19 years of claim work with Maryland Casualty, St. Paul-Mercury Indemnity, National Automobile, United Pacific and Markel Service, has joined the staff at Chico, Cal. George E. Lee, with 11 years experience with Lumbermen's Mutual Casualty, St. Paul-Mercury Indemnity and as an independent adjuster, has joined G.A.B. at Portland, Ore.

John H. Hagen, for the past three years in claims work with London Guarantee and Ohio Casualty, is now with G.A.B. at Bakersfield, Cal.

New Canada Claim Chief

W. J. Stephens has been named claims manager for Canada of Lumbermen's Mutual Casualty Co. He succeeds B. J. Thomson, who resigned to resume law practice. C. C. Stearns has been named assistant claims manager.

ACCIDENT

Selling Aids: Rosenthal Newspaper Stories Best A. &

The daily newspaper, with their graphic stories of the tragedies of life, long-disabling accidents that affect real human beings, cutting off their earning power and imposing terrific hospital, medical and surgical bills, can be most helpful in selling A. & H. insurance, Adam Rosenthal, General American Life, said in his talk on "Merchandising Methods Found Practical in A. & H. Insurance" before A. & H. Underwriters Assn. of St. Louis.

He then exhibited his home-made sales kit, including material to illustrate various accidents that can and do take place in the home. He showed specific stories that he had found especially effective.

He told of a personal experience stating that the past year Massachusetts Indemnity and General American Life had paid him something like \$1,400 because of a back injury sustained in an accident that could be suffered by anyone, and said this experience has helped him to sell more insurance to others.

He uses specific cases to answer the objection often heard that the prospect has group hospitalization insurance and so doesn't need accident and health protection.

Showmanship in selling will help an agent to success in the A. & H. field, he concluded.

It was announced that the sales congress of the St. Louis association will be

held April 27. Details of the program have not been completed but will be announced soon.

A. & H. Agent Must Know His Contract, Schmitz Says

Walter Schmitz, home office supervisor of the accident and sickness department of Occidental Life, speaking before Los Angeles A. & H. Underwriters Assn. on "Practical Sales Methods for Today and Tomorrow," said the A. & H. salesman must know his contract so that he can answer any question the prospect may propose. If the agent has complete knowledge of his contract, he can carry it to the prospect.

Value of Consistency

Failure to do a good job when the coverage is first sold will cut down the agent's renewal income. He said that if an agent will sell one application per week for five years, at the end of that time will have built up a monthly income of \$200 per month. He declared the agent can sell one application a day if he will work.

Present policyholders should be sold additional coverage to care for expenses during periods of sickness or accident, but above all else they should be sold a guaranteed minimum disability income.

President Walter E. Mast named Walter L. McKee, past-president, chairman of the nominating committee to select a slate of officers to be voted at the April meeting.

Substitute UCD Bill Reported Out in Wash.

OLYMPIA, WASH.—The proposed "optional" UCD bill sponsored by Washington Federation of Labor was reported favorably by the senate social security committee with a 12-vote margin. As the result of a heated skirmish between insurance and labor interests a new bill was brought out, incorporating numerous amendments. The substitute measure smooths out some of the administrative wrinkles and also provides for the worker paying the full premium (the original bill charged the worker 3/4 of 1% and the employer 1/4 %). However, the employer still must pay the entire premium if he wishes.

The new bill provides that premium collections shall begin by withholding from pay July 1, 1949. The coverage may be secured either from the state or from private carriers. Benefits offered by private plans must be as broad as those of the state fund.

At first the insurance industry appeared united in opposition to the bill. Later several life company representatives became jittery over the prospect of enactment of the original bill, feeling that private carriers could not operate under its provisions. These interests met with the labor lobby and drafted the amendments which were incorporated into the substitute bill.

List Two Utah Speakers

SALT LAKE CITY—Speakers for Utah A. & H. Club sales congress on March 21 will include E. F. Gregory, Business Men's Assurance, Denver, president of the National Association and Dr. O. Preston Robinson, in charge of marketing and salesmanship, University of Utah.

COMPENSATION

Bill Would Substantially Expand Federal Act Scope

A bill has been introduced in House of Representatives, H. R. 100, which would extend the scope of the longshoremen's and harbor workers' compensation act. This is regarded as a "perennial bill"; it or similar measure

CASUALTY · FIDELITY · SURETY

HE THINKS
HE'S
COVERED!



Many people make the same mistake the clown does. The tragedy is, the clown does it for laughs.

Today, when law suits for real and imaginary injuries are multiplying, everyone needs the REAL protection offered by Manufacturers Comprehensive Personal Liability Policy.

Sell Manufacturers CPL, and watch those commissions climb. Write, telephone, or visit the office nearest you.

MANUFACTURERS

Casualty Insurance Co.

1617 Pennsylvania Boulevard

PHILADELPHIA, PA.

W. STANLEY KITE, President

WRITE
Manufacturers
IT PAYS!

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Must Know Schmitz Says

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Bill n Wash.

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Speakers

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ISATION

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are introduced at each session of Con-
gress.

This one calls for a \$30 maximum
weekly indemnity, though the law was
amended last summer to increase weekly
indemnity maximum from \$25 to \$35.
At that time also the aggregate maxi-
mum as to permanent total disability
cases and death cases was eliminated
and benefits were increased on perma-
nent and partial disability.

Insurers are never particularly con-
cerned about an increase in benefits,
because the compensation rating system
picks them up and properly reflects
them in the rates. They are concerned,
however, over expansion in the applica-
bility of the act. For example, H. R. 275
would extend the act to employees on
docks, etc., adjacent to waterways.
This, if passed, would raise some tough
questions as to how far the law goes.
Questions regularly arise now over what
are called gang plank cases, where the
workman is hurt as he goes off the
ship. The Supreme Court terms this a
"twilight zone."

There is another bill in Congress
which covers much the same ground.
H. R. 275 also would increase compen-
sation for gross negligence and willful
misconduct. Negligence is defined as
violation of safety rules, which would
make practically everything negligence.
This would increase the cost of trying
cases because of the need for expert
witnesses, etc.

Put Officials Under W. C.

LANSING, MICH.—Bills have been
introduced in the Michigan legislature
to place legislators and other elective
state officials under the workmen's com-
pensation act while engaged in their
official duties. The act would not be
effective for the present legislature. It
was stated that six other states have
similar laws.

Hospital Rates Rise in N. Y.

NEW YORK—The conference com-
mittee, comprising representatives of
Hospital Assn. of New York State and
representatives of Compensation Insur-
ance Rating Board of New York have
reached a new agreement on hospital
rates for routine workmen's compen-
sation patients which increases the rate
to \$10.50 per day effective Feb. 1. This
covers bed, board, routine nursing, or-
dinary dressings and drugs. The new
agreement is subject to review in six
months.

The old rate was \$9.25 per day, from
May 1, 1948. Prior to that it was \$8.60
per day.

ASSOCIATIONS

Work of Police Laboratory Told to Surety Group

NEW YORK—How the New York
City police laboratory for crime detec-
tion applies scientific methods to pro-
duce evidence and establish guilt was
discussed by Detective Frank Murphy
of the department before Surety Claim
Men's Forum. In one case, he said,
handwriting was developed from a blank
piece of paper, which had been on
another sheet with handwriting on it,
and through use of chemicals the labora-
tory was able to bring out the impres-
sion of the handwriting on the blank
sheet. In another instance the labora-
tory established the original writing on
certain books and records which had
been altered by a dishonest employee.

Joseph Green, Home Indemnity, is
in charge of the March 10 meeting.

Roy Davis Ohio Speaker

Roy L. Davis, Chicago manager of
Assn. of Casualty & Surety Companies,
spoke before Ohio Assn. of Casualty &
Surety Managers at Columbus. O. P.
Ruffing, Travelers, told of the legisla-
tive situation. A committee was named

to arrange a speakers club and outline
an educational program.

Central Wis. Adjusters Meet

WAUSAU, WIS.—Charles F. Smith,
attorney, discussed "The Relations of
Attorneys & Claim Adjusters," at the
dinner meeting of the Central Wiscon-
sin Adjusters Assn.

PERSONALS

E. A. Hauschild, secretary of Security
Mutual Life of Binghamton, is now at
his home recuperating from a recent
hernia operation.

Daniel H. Quigg, manager of the
agents' service department of Hartford
Accident, at the home office, has com-
pleted 25 years' service, having joined
Hartford in 1924 as special agent in
eastern New York state. Previously he
was with Aetna Casualty at Syracuse.

Carl Kirk, assistant U. S. manager of
Zurich, has been elected president of
the Community Chest of his home vil-
lage of Kenilworth, Ill. He has been

the vice-president and was in charge of
the 1948 drive.

DEATHS

William Schleip, Jr., an executive of
Guarantee of Los Angeles, died here.
He was a son of the late William
Schleip, chief of the division of ex-
aminations and statement analyses of
the California department.

Anderson Reviews Backman Book at Chicago

A discussion of Dr. Jules Backman's
new book, "Surety Rate Making," by
Elmer Anderson, assistant secretary of
Surety Assn. of America, drew a large
crowd to the auditorium in the Insurance
Exchange building, Chicago. Mr. An-
derson showed slides he had made of
the graphs in the book and commented
on them. He emphasized that the book
is of great importance to the surety
business and contains much information
that hitherto has been unavailable.

He was introduced by B. J. Nietsch-
mann, manager of National Surety, and
president of Surety Underwriters Assn.

of Chicago, which sponsored the meet-
ing.

Mr. Anderson's main purpose in visit-
ing Chicago was to make a talk before
the Rural Electrical Contractors Assn.
He explained to that group why there
are difficulties in obtaining R.E.A. bonds.

State Farm Richmond Rally

About 250 agents of the State Farm
companies in Virginia, Maryland, Dela-
ware and District of Columbia attended
a convention at Richmond.

Principal speakers were Adlai H.
Rust, executive vice-president of State
Farm Mutual, and H. E. Baumberger,
Richmond, regional director.

Robert A. Wilson, Richmond, assist-
ant regional director, was toastmaster
at the banquet.

Don K. Zimmerman of the Griffith
& Baughman agency, Liberal, Kan., has
been named president of the Chamber of
Commerce there. He is also president
of Liberal Insurance Board.

Chester H. Holt has joined Cream
City Mutual as special agent in Indiana
and Michigan. He has held a similar
post with Western Mutual Fire of Ohio.



ANNOUNCING

THE OPENING OF OUR NEW HOME OFFICE BUILDING



GUARANTEE INSURANCE COMPANY

1671 WILSHIRE BLVD., LOS ANGELES

SERVING THE PUBLIC, COMMERCE AND INDUSTRY
THROUGH THE LOCAL INSURANCE AGENT

F. & C. Makes Six Managerial Changes

Fidelity & Casualty has made five resident manager appointments and one agency appointment at the home office.

Earl H. Modlin, manager at Minneapolis is now at Buffalo as manager. He replaces Edgar E. Mueller, retired. W. C. Owens is the new manager at Minneapolis. He was formerly agency supervisor there.

Claude Beatty has been named manager at Los Angeles. Mr. Beatty, who has been manager at Charlotte, N. C., replaces Paul J. Emme, who is now second in command of the Pacific department.

Lawrence F. Brock has been made manager at Cleveland, taking over the post left vacant by the recent death of B. C. Sauer.

George W. Kassebert is the new manager at the Charlotte, N. C., office. Mr. Kassebert has for many years been bond manager at Hartford.

Albert J. Miller has been appointed bond production manager of the agency department at the home office.

Mr. Modlin has been with F. & C. since 1922 when he started at St. Louis. He attended Grinnell College and the

University of Nebraska, from which he graduated in 1921.

Mr. Owens started his insurance career in 1925 with C. W. Sexton Co., general agents at Minneapolis. In 1928 he joined F. & C. as bond superintendent at Minneapolis and subsequently became agency supervisor.

Mr. Beatty has been with F. & C. since 1930. He has had production experience at Detroit and Flint. In 1946 he was made agency superintendent at Detroit and the following year was made manager at Charlotte, N. C.

Mr. Brock graduated from Marquette University in 1926 and joined F. & C. at Milwaukee as an underwriter. Since that time he has been casualty superintendent and agency supervisor.

Mr. Kassebert attended Syracuse University. He started with F. & C. at the home office in 1925. A year later he transferred to Hartford, where he has since been.

Mr. Miller graduated from Ohio State University in 1923, majoring in insurance. He joined F. & C. in 1938 as a special agent for the eastern department. Later he was at St. Louis as bond superintendent, after which he returned to the home office as bond superintendent of the eastern department and later agency supervisor of the eastern department.

Fishbein Assails Ewing Arguments

The Insurance Society of Philadelphia banquet attracted about 1,200 members and guests.

Dr. Morris Fishbein, editor of the "Journal of American Medical Assn.," was the speaker. Commissioner Malone was guest of honor and Walter A. Munns of Ins. Co. of State of Pa. was presiding officer.

Dr. Fishbein in denouncing compulsory health insurance stated: "It is better to build public health with what we have than to destroy it in what would be the greatest experiment with the lives of 140 million people that the world has ever seen." He charged that Oscar Ewing, federal security administrator, withheld information from the public following the National Health Conference at Washington last July and that representatives of medical-care organizations "outlined six programs for consideration, but none of that material was published." Ewing, he said, seems to be supported in his stand by the two big labor organizations.

Giving figures supplied by Ewing, Dr. Fishbein said the federal official claims that 170,000 persons die annually from communicable diseases. "Actually," the speaker said, "all persons with communicable diseases are under the care of physicians and if the medical profession knew how to save them, they certainly would be saved."

"Ewing goes on to save lives from cancer and heart diseases, yet medical science does not know the cause of cancer, and as yet there is no known preventive for coronary thrombosis or rheumatic fever."

The health program using national, state, local and political help would require a staff of some 400,000 to create a new government insurance group, which would be paid by a tax on both employee and employer. Citing the situation in England the speaker declared their budget was exhausted in the first three months for medicine and appliances.

Dodd Bryan, North America, president of the association, gave a review of the accomplishments of the association during the past 47 years.

Kansas City Sales Congress Date Set for April 19

Casualty & Surety Underwriters Assn. of Kansas City has set April 19 for its annual casualty and fidelity sales congress. The congress in past years has attracted as many as 600 agents from Kansas City and surrounding states.

G. R. Leeds, manager of U. S. F. & G., has been appointed chairman of the congress committee.

In addition to the speaking session, the program will feature a panel on each subject.

Instead of individual luncheons by various companies, the association is arranging a luncheon at the Hotel President. Morton T. Jones, president of Kansas City F. & M., will be toastmaster.

Competitive Issue Arises on Grand Rapids Cover

GRAND RAPIDS—It was disclosed here that T. Philip Davies, a partner in the local agency of Decker, Davies & Jean, has filed a complaint with Commissioner Forbes of Michigan relative to the statements of a competitor, Henry F. Stein, made at hearings on proposed joint coverage of boilers owned by the city and board of education.

The complaint states that Mr. Stein allegedly told city commissioners and the school board that Ocean Accident, represented by Mr. Davies' agency, is foreign-owned. Mr. Davies noted, at a city commission meeting that Ocean's assets, along with those of other British-owned enterprises, have been in escrow in the U. S. treasury since

early in the last war. Two commissioners supported a move, to refer the boiler coverage bids back to the committee as a whole.

Mr. Stein spoke for his companies, Lumbermen's Mutual Casualty and American Motorists, before members of the city service committee which was considering the bids. The school board, meanwhile, had voted to award the business to the Davies' agency, as had two city commissioners. Awarding of the business has been delayed, however, due to the disagreements on procedures. It has been estimated that purchase of the coverage on a joint basis will save approximately \$750 in premiums.

Embolism Held Accidental

Death resulting from acute embolism due to coughing resulting from administration of opiates following an operation was held by the eastern Idaho federal court to be covered by a double indemnity provision despite the fact that the policy covers only bodily injury "effected solely through external, violent and accidental means." The court held that the plaintiff having established that death was accidental, the company had the burden of proving that the accident or injury was within one of the policy exceptions and that the company had failed to do this. The case is Wilson vs. New York Life.

S. D. Negligence Bills

Bills are being considered by the South Dakota legislature to provide for joinder of insurance companies in negligence actions and also to establish the principle of contributory negligence.

30th Anniversary



Robert L. Cobb

Oscar C. Strecker

The Cobb-Strecker-Miller local agency of Minneapolis celebrated its thirtieth anniversary March 1. The firm was founded in 1919 by Robert L. Cobb and Oscar C. Strecker. At that time each of them had already achieved a respected place in bonding and insurance circles. They enjoy a combined experience of over 80 years.

Mr. Strecker entered the bonding business in his home city of Baltimore. He was with American Bonding several years and served as assistant manager at St. Louis. He went to Minneapolis in 1914 as a surety specialist until joining Mr. Cobb.

Mr. Cobb has been a resident of Minneapolis all of his life and entered the bonding business upon leaving University of Minnesota. He served as an officer in the first war. He was with the Mosher-Lewis agency and the Hood agency until joining Mr. Strecker.

Eugene F. Griswold, former manager of Eagle-Globe-Royal at Minneapolis, entered the agency as vice-president in 1948.

Miss Esther E. Pearson has been with the agency since very shortly after its organization. She is secretary-treasurer and has charge of the operation of the office.

The agency has made a specialty of contractors bonds and insurance and is well known in the building industry. Both Mr. Cobb and Mr. Strecker have served in various official capacities in Minneapolis Builders Exchange and Associated General Contractors of America.

BITUMINOUS CASUALTY CORPORATION

ROCK ISLAND ILLINOIS

FINANCIAL STATEMENT

December 31, 1948

ASSETS

| | |
|---|--------------------------|
| BONDS—(Amortized values): | |
| United States Government..... | \$17,351,364.71* |
| States..... | 446,329.21 |
| Political subdivision of states..... | 32,085.53 |
| Railroads..... | 23,972.92 |
| TOTAL BONDS..... | \$17,853,752.37** |
| STOCKS—(Market values): | |
| Preferred—Railroad, Public Utility, Industrial and Miscellaneous..... | \$ 137,530.00 |
| Common—Railroad, Public Utility, Industrial and Miscellaneous..... | 766,174.00 |
| TOTAL STOCKS..... | 903,704.00 |
| Investment in Bituminous Fire and Marine Insurance Company..... | 350,000.00 |
| Cash..... | 2,847,150.46 |
| Premiums in Course of Collection—Less than 90 days due..... | 1,543,889.13 |
| Advance Deposits on Reinsurance..... | 31,662.02 |
| Accrued Interest on Bonds..... | 62,072.87 |
| Reinsurance recoverable on losses paid..... | 9,902.57 |
| TOTAL ADMITTED ASSETS..... | \$23,602,133.42 |

LIABILITIES

| | |
|--|------------------------|
| Reserves for Claims..... | \$13,197,997.45 |
| Reserve for Unearned Premiums..... | 5,061,324.58 |
| Reserve for Unpaid Dividends to Policyholders..... | 7,485.43 |
| Reserves for Taxes and Reinsurance..... | 750,012.01 |
| Reserves for Commissions and Other Expenses..... | 410,525.21 |
| Other Liabilities..... | 75,179.53 |
| TOTAL LIABILITIES..... | \$19,502,524.21 |
| Capital..... | \$ 1,000,000.00 |
| Surplus..... | 1,000,000.00 |
| Voluntary Contingency Reserve..... | 2,099,609.21 |
| SURPLUS AS REGARDS POLICYHOLDERS..... | 4,099,609.21 |
| TOTAL LIABILITIES, CAPITAL AND SURPLUS..... | \$23,602,133.42 |

* United States Government Bonds carried at \$372,095.12 in the above statement, are deposited as required by law.

** Market value of bonds \$21,489.66 in excess of above amortized value. United States Government Bonds and Cash represent more than 85% of the Total Admitted Assets.

SURETY

Surety Producers Complete Plans for March 14-15 Meet

The program has been drawn up for the annual meeting of National Assn. of Surety Bond Producers on March 14-15 in New York. Opening address will be by Martin W. Lewis, general manager Surety Assn. of America. He will be followed by Ray Murphy, general counsel Assn. of Casualty & Surety Companies, who will treat "The Importance of the Munsey Trust Decision as Respects Contract Bonding."

The afternoon of the opening day will feature the report of the president Durel Black, New Orleans and a discussion of acquisition costs for the producer led by H. F. Warner, Kansas City. There will be discussion of Dr. Jules Bachman's study of the economics of suretyship and discussion of the commercial blanket position bond.

The morning of the second day will be a joint session with surety company executives and representatives of other producers' organizations. Captain J. F. Jelley, bureau of yards and docks, will outline the bonding policies of the navy. Charles M. Upham, executive director American Roadbuilders Assn. will speak on the construction industry. The afternoon will be devoted to a discussion of the problems of countersignature, contract specifications as they relate to local surety control and newly adopted public official blanket bonds.

Dam Bid Is \$23 Million

General Construction Co., Seattle; J. F. Shea Co., Alhambra, Cal.; Kaiser Engineers, Oakland; Walsh Construction Co., San Francisco; Utah Construction Co., Salt Lake City, and Pacific Bridge Co., San Francisco, jointly, were low bidders when the U. S. engi-

neers at Portland, Ore., opened bids for the concrete gravity dam, with buildings and appurtenances for the Detroit dam, near Mill City, Ore., at a price of \$28,230,509. Continental Casualty, Hartford Accident, Fidelity & Deposit and Aetna Casualty are on the bid bond.

\$1 Million Bond at Richmond

The \$1 million bond given by Walter B. Gentry as city treasurer of Richmond, Va., was split between National Surety and Aetna Casualty. Mr. Gentry was appointed to succeed Grey P. Hulce, who resigned after state auditors reported a discrepancy of \$15,282 in his accounts. Hulce made good this amount soon after tendering his resignation. National Surety had been on his bond for \$1,000,000.

Jonland to Ill., Ind. Field

Einar Jonland has been named special agent in Illinois and Indiana for Massachusetts Bonding, with headquarters at Chicago. Mr. Jonland for the past three years has been at Chicago with the company in the underwriting department.

COMPANIES

Lumbermen's Group Writings Up 20.7%

Net premiums of Lumbermen's Mutual Casualty group in 1948 totaled \$98,239,000 for an increase of \$16,859,000 or 20.7% over 1947. There were gains in every line of coverage.

The five casualty companies had premium writings of \$91,335,000, up \$16,289,000 or 21.6%, and the three fire companies wrote premiums of \$6,704,000, an increase of \$570,000 or 9.3%.

Lumbermen's Mutual Casualty had premiums in 1948 of \$72,377,268, an increase of 22.6%. A. & H. writings increased 60%, boiler and machinery 42%; bonds 40.5%, and automobile 21.2%, on writings of \$39,470,768.

American Motorists net premiums were \$16,246,812, an increase of 20.1%. Burglary writings increased 54.5%, bonds 40.5% and A. & H. 36.2%.

Prepare for Centennial

A historical survey of a century in business is being undertaken by Aetna Life in preparation for its 100th anniversary, to be celebrated in 1953. Robert H. Pierce was recently transferred from farm loan manager to the advertising and publicity department to handle this assignment.

Fine Bituminous Year

Written premiums of Bituminous Casualty last year amounted to \$14,738,417, assets increased to \$23,602,133, from \$19,812,771. The underwriting income before federal taxes was \$1,111,949. Federal taxes on the company's income was \$500,990 and net income from operations after federal taxes were \$896,492. Surplus to policyholders was \$4,099,609 as against \$3,238,233 the previous year.

Assets of the affiliated Bituminous F. & M. increased to \$453,236 and the underwriting profit was \$104,073.

In the following exhibits the figure for "surplus" represents surplus to policyholders.

Alliance Mutual Cas., Kan.—Assets, \$986,503, incr., \$232,522; unearned prem., \$414,774; losses, \$203,116; surplus, \$321,065, incr., \$162,293.

| | Net | Paid |
|-----------------------|----------|----------|
| Premiums | Losses | |
| Accident | \$ 2,592 | \$ 1,225 |
| Auto liability | 191,028 | 67,614 |
| Other liability | 2,384 | 2,125 |
| Fidelity | 838 | ..... |
| Surety | 595 | ..... |
| Glass | 4,880 | 2,742 |

| | Net | Paid |
|-------------------------|------------|------------|
| Premiums | Losses | |
| Club livestock | 2,061 | 1,171 |
| Auto prop. damage | 101,746 | 41,721 |
| Auto collision | 287,765 | 115,102 |
| Other P.D. & coll. | 1,262 | 1,124 |
| Other auto | 183,984 | 58,211 |
| All other | 57,123 | 35,156 |
| Totals | \$ 336,268 | \$ 326,191 |

| | | |
|--|-------------|-------------|
| America General—Assets, \$9,204,094, | | |
| incr., \$1,130,558; unearned prem., \$3,267, | | |
| 485; loss res., \$1,508,438; capital, \$1,250, | | |
| 000; surplus, \$3,738,939, incr., \$507,228. | | |
| Auto liability | \$ 526,426 | \$ 175,734 |
| Other liability | 314,433 | 63,572 |
| Workmen's comp. | 1,426,129 | 784,730 |
| Fidelity | 26,438 | 7,339 |
| Surety | 290,078 | 238 |
| Glass | 31,761 | 16,936 |
| Burglary & theft. | 40,333 | 16,132 |
| Auto prop. damage. | 299,539 | 132,447 |
| Auto collision | 783,305 | 253,937 |
| Other P.D. & coll. | 77,887 | 11,587 |
| Fire lines | 1,566,324 | 512,977 |
| Totals | \$5,278,660 | \$1,975,671 |

| | |
|--|-----------------------------------|
| American States—Assets, | \$8,746,292, |
| Inc., \$269,002; unearned prem., \$3,171,891; loss res., \$1,965,408; capital, \$1,000,000; surplus, \$2,562,818, inc., \$480,920. | |
| Accident | \$ 262,546 \$ 118,667 |
| Group A. & H. | 2,450 1,741 |
| Auto liability | 1,851,749 979,737 |
| Other liability | 256,377 36,405 |
| Workmen's comp.... | 442,820 161,449 |
| Bonds | 3,337 |
| Glass | 47,873 24,582 |
| Burglary & theft .. | 111,985 40,463 |
| Comprehensive | 905,283 376,490 |
| Auto prop. damage. | 1,544,230 746,960 |
| Auto collision | 1,896,157 879,451 |
| Other P.D. & coll.... | 66,970 11,762 |
| Fire | 202,157 174,878 |
| Totals | \$7,593,938 \$3,552,593 |

Auto Club Inter-Ins. Ex., Mo.—Assets, \$3,302,967, incr., \$473,510; unearned prem., \$1,392,146; loss res., \$845,500; surplus, \$896,406, incr., \$325,907.

| | | |
|-------------------------|-------------|-------------|
| Auto liability | \$1,212,180 | \$ 558,942 |
| Auto prop. damage. | 431,694 | 227,332 |
| Auto collision | 643,501 | 239,796 |
| Other auto | 476,369 | 100,474 |
| Totals | \$2,763,744 | \$1,126,544 |

Beacon Mutual Indemnity—Assets, \$1,167,384, incr., \$252,837; unearned prem., \$479,309; loss res., \$385,649; guaranty capital, \$300,000; surplus, \$281,733, incr., \$68,218.

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TRINITY UNIVERSAL INSURANCE COMPANY

DALLAS, TEXAS • EDWARD T. HARRISON, President

FINANCIAL STATEMENT

December 31, 1948

ASSETS

| | |
|---|------------------------|
| Cash in Banks | \$ 2,307,999.73 |
| U. S. Government Bonds | 5,149,832.27 |
| State, County and Municipal Bonds | 36,177.95 |
| Miscellaneous Bonds | 4,800.00 |
| Stocks | 4,295,958.79 |
| First Mortgage Loans on Real Estate | 32,780.34 |
| Collateral Loans | 237,500.00 |
| Site for Company's Office Building | 144,000.00 |
| Other Real Estate | 9,967.00 |
| Premiums in Course of Collection | 4,032,978.58 |
| Premium Notes Receivable | 246,589.98 |
| Accrued Interest | 11,006.58 |
| All Other Admitted Assets | 27,000.00 |
| Total Admitted Assets | \$16,536,591.22 |

LIABILITIES

| | |
|--|------------------------|
| Reserve for Losses and Claims | \$ 714,112.00 |
| Special Reserve for Liability Claims | 1,491,834.02 |
| Reserve for Unearned Premiums | 8,809,026.40 |
| Reserve for Taxes | 452,354.05 |
| Reserve for Contingencies | 250,000.00 |
| Reserve for Other Liabilities | 179,959.66 |
| Commissions Payable | 1,329,766.84 |
| All Other Liabilities | 37,292.06 |
| Capital | \$1,000,000.00 |
| Surplus | 2,272,246.19 |
| Surplus to Policyholders | 3,272,246.19 |
| Total | \$16,536,591.22 |

Bonds amortized. Stocks valued as required by the
National Association of Insurance Commissioners.

GENERAL LIABILITY • BURGLARY • PLATE GLASS • AUTOMOBILE • WORKMEN'S
COMPENSATION • FIDELITY and SURETY BONDS • FIRE • INLAND MARINE

| | Net Pmts. | Paid Losses | | Net Pmts. | Paid Losses |
|-------------------------|--------------|----------------|-------------------------|-------------------|----------------|
| Accident | \$ 66,028 | \$ 14,418 | \$1,000,000; surplus, | \$4,099,609; inc. | |
| A. & H. | 45,782 | 14,469 | \$361,375. | | |
| Auto liability | 282,074 | 107,927 | Auto liability | \$ 982,616 | \$ 444,001 |
| Other liability | 16,819 | 281 | Other liability | 1,152,686 | 108,374 |
| Glass | 1,955 | 1,817 | Workmen's comp | 11,374,794 | 4,763,769 |
| Auto theft | 49,548 | 8,615 | Auto prop. damage | 508,408 | 256,185 |
| Hospitalization | 88,790 | 31,551 | Auto collision | 399,519 | 192,591 |
| Auto prop. damage | 282,308 | 101,087 | Other P.D. & coll. | 320,391 | 60,223 |
| Auto collision | 356,261 | 109,588 | Totals | \$14,733,417 | \$5,825,149 |
| Other P.D. & coll. | 5,622 | 865 | | | |
| Other auto | | | | | |
| Misc. auto | 116,958 | 33,205 | | | |
| Totals | \$1,312,043 | \$ 423,825 | | | |

Central National, Omaha—Assets, \$2,466,590, inc., \$1,953,394; unearned prem., \$1,815,738; loss res., \$300,250; capital, \$300,000; surplus, \$500,770, dec., \$2,755,133, inc., \$3,789,361; unearned prem., \$5,061,324; loss res., \$13,197,997; capital, \$1,000,000; surplus, \$4,099,609; inc., \$361,375.

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INSURANCE**

GUARANTEES PAYMENT OF ACCOUNTS RECEIVABLE



| | Net Pmts. | Paid Losses |
|-------------------------|--------------|----------------|
| Auto fire, theft | 475,503 | 61,198 |
| Auto prop. damage | 109,829 | 11,358 |
| Auto collision | 1,620,270 | 331,185 |
| Other auto | 209,475 | 21,071 |
| Auto med. | 24,997 | 1,119 |
| Totals | \$2,739,696 | \$ 449,235 |

Citizens Mutual Auto, Mich.—Assets, \$4,710,695, inc., \$1,441,805; unearned prem., \$2,129,543; loss res., \$1,280,909; surplus, \$907,450, inc., \$373,323.

| | | |
|-------------------------|-------------|-------------|
| Auto liability | \$1,440,359 | \$ 359,101 |
| Other liability | 9,804 | 200 |
| Auto prop. damage | 1,205,562 | 450,956 |
| Auto collision | 1,881,977 | 871,954 |
| Other P.D. & coll. | 4,850 | |
| Other auto | 835,372 | 237,008 |
| Totals | \$5,377,924 | \$1,919,219 |

Columbia Cas.—Assets, \$14,951,579, inc., \$1,233,422; unearned prem., \$3,579,491; loss res., \$6,591,020; capital, \$1,000,000; surplus, \$3,960,654, inc., \$383,914.

| | | |
|--------------------------|-------------|-------------|
| Accident | \$ 106,439 | \$ 37,995 |
| Health | 13,451 | 7,224 |
| Group A. & H. | 8,339 | 4,215 |
| Auto liability | 1,778,561 | 822,723 |
| Other liability | 704,009 | 233,413 |
| Workmen's comp. | 1,598,813 | 858,425 |
| Fidelity | 223,758 | 49,718 |
| Surety | 200,078 | 5,146 |
| Glass | 99,730 | 47,239 |
| Burglary & theft | 257,967 | 74,799 |
| Boiler & machinery | 524,237 | 206,906 |
| Aircraft hull | 1,197 | 45 |
| Auto prop. damage | 927,242 | 510,627 |
| Auto collision | 4,913 | 6,239 |
| Other P.D. & coll. | 116,696 | 22,049 |
| Water damage | 56 | 1,855 |
| Totals | \$6,565,494 | \$2,888,625 |

Combined—Assets, \$2,548,350, inc., \$350,082; unearned prem., \$1,127,225; loss res., \$391,015; capital, \$200,000; surplus, \$594,177, inc., \$108,926.

| | | |
|-----------------------|-------------|-------------|
| Accident | \$2,663,469 | \$ 962,275 |
| Health | 560,375 | 257,919 |
| A. & H. | 73,511 | 33,180 |
| Non-can. A. & H. | 16,309 | 7,776 |
| Hospital | 948,955 | 371,352 |
| Totals | \$4,262,619 | \$1,632,502 |

Commercial Standard—Assets, \$6,374,370, inc., \$698,297; unearned prem., \$2,137,270; loss res., \$1,822,428; capital, \$775,000; surplus, \$1,647,323; inc., \$249,268.

| | | |
|-------------------------|-------------|-------------|
| Auto liability | \$1,158,934 | \$ 434,741 |
| Other liability | 170,052 | 18,595 |
| Workmen's comp. | 1,269,503 | 670,127 |
| Fidelity | 29,357 | 1,278 |
| Surety | 67,070 | —455 |
| Glass | 43,349 | 21,568 |
| Burglary & theft | 42,207 | 17,878 |
| Title | 183,161 | 718 |
| Auto prop. damage | 677,256 | 294,754 |
| Auto collision | 700,633 | 265,224 |
| Other P.D. & coll. | 76,551 | 19,616 |
| Fire lines | 707,798 | 252,909 |
| Totals | \$5,125,874 | \$1,996,957 |

Economy Auto—Assets, \$2,914,568, inc., \$542,625; unearned prem., \$958,509; loss res., \$625,485; capital, \$200,000; surplus, \$1,059,285, inc., \$152,646.

| | | |
|-------------------------|----------|------------|
| Accident | \$ 2,275 | |
| Auto liability | 677,721 | \$ 196,690 |
| Other liability | 4,825 | 4 |
| Auto fire & theft | 50,033 | 6,610 |

| | Net Pmts. | Paid Losses |
|---------------------------------|--------------|----------------|
| Auto comp. | 187,297 | 57,670 |
| Glass | 82 | 22 |
| Medical (other than auto) | 1,705 | 184 |
| Auto prop. damage | 443,088 | 130,346 |
| Auto collision | 511,712 | 200,393 |
| Other P.D. & coll. | 1,826 | 1,939 |
| Auto misc. | 6,918 | 1,939 |
| Totals | \$1,887,482 | \$ 594,608 |

Employers Reinsurance—Assets, \$42,371,002, inc., \$6,748,198; unearned prem., \$10,125,206; loss res., \$15,756,796; capital, \$2,000,000; surplus, \$12,100,068, inc., \$177,277.

| | | |
|--------------------------|--------------|-------------|
| Accident | \$ 526,155 | \$ 186,428 |
| Health | 155,457 | 62,154 |
| Group A. & H. | 16,960 | 21,252 |
| Non-can. A. & H. | 83,243 | 126,242 |
| Auto liability | 11,600,424 | 4,882,802 |
| Other liability | 1,513,797 | 349,642 |
| Workmen's comp. | 1,839,641 | 480,056 |
| Fidelity | 1,195,731 | 245,247 |
| Surety | 1,687,089 | 134,872 |
| Glass | 11,166 | |
| Burglary & theft | 587,725 | 173,593 |
| Boiler & machinery | 240,263 | 7,266 |
| Credit | 585,417 | 78,250 |
| Auto prop. damage | 1,717,880 | 614,082 |
| Auto collision | 43,431 | 20,114 |
| Other P.D. & coll. | 169,493 | 94,582 |
| Fire, etc. | 2,377,381 | 760,336 |
| Totals | \$24,351,253 | \$8,237,086 |

Erie Exchange—Assets, \$2,021,226, inc., \$521,144; unearned prem., \$788,264; loss res., \$466,024; surplus, \$682,601, inc., \$157,979.

| | | |
|-------------------------|-------------|------------|
| Auto liability | \$ 721,789 | \$ 205,168 |
| Other liability | 5,109 | 329 |
| Fire & E. C. | 103,397 | 20,769 |
| Auto prop. damage | 477,194 | 214,376 |
| Auto collision | 554,287 | 253,761 |
| Other auto | 204,729 | 67,515 |
| Totals | \$2,066,505 | \$ 761,900 |

Eureka Cas.—Assets, \$7,327,389, inc., \$1,039,066; unearned prem., \$1,450,789; loss res., \$4,061,469; capital, \$500,000; surplus, \$1,299,325, inc., \$100,848.

| | | |
|-------------------------|-------------|-------------|
| Auto liability | \$ 941,631 | \$ 400,761 |
| Other liability | 240,296 | 52,765 |
| Workmen's comp. | 2,655,925 | 1,184,059 |
| Fidelity | 12 | — |
| Glass | 55,954 | 22,962 |
| Burglary & theft | 66,171 | 26,820 |
| Auto prop. damage | 546,324 | 268,482 |
| Auto collision | 9,165 | 1,241 |
| Other P.D. & coll. | 78,177 | 17,191 |
| Totals | \$4,593,659 | \$1,974,220 |

Factory Mutual Ind.—Assets, \$20,285,146, inc., \$1,218,035; unearned prem., \$2,030,333; loss res., \$3,077,187; guarantee fund, \$250,000; surplus, \$13,237,954, inc., \$143,780.

| | | |
|-------------------------|-------------|-------------|
| Auto liability | \$3,038,927 | \$ 717,102 |
| Other liability | 53,765 | 14,731 |
| Burglary & theft | 104,136 | 26,172 |
| Auto prop. damage | 1,326,354 | 461,559 |
| Auto collision | 1,234,213 | 290,172 |
| Totals | \$5,757,395 | \$1,509,737 |

Fidelity Mutual, Ind.—Assets, \$1,554,836, inc., \$333,342; unearned prem., \$656,904; loss res., \$411,280; surplus, \$387,741, inc., \$25,594.

| | | |
|-------------------------|-------------|------------|
| Auto liability | \$ 418,550 | \$ 91,644 |
| Auto reins. | 62 | —142 |
| Auto prop. damage | 316,796 | 113,716 |
| Auto collision | 436,452 | 145,906 |
| Other auto | 230,379 | 75,862 |
| Totals | \$1,402,241 | \$ 426,987 |

Frankenmuth Mutual Auto—Assets, \$1,273,526, inc., \$280,860; unearned prem., \$584,228; loss res., \$165,172; surplus, \$508,249, inc., \$136,558.

| | | |
|-------------------------|-------------|------------|
| Auto liability | \$ 268,972 | \$ 117,385 |
| Passenger cover | 38,868 | 12,276 |
| Windstorm | 1,441 | 724 |
| Theft | 52,655 | 7,462 |
| Road service | 11,668 | 7,918 |
| Comprehensive | 25,550 | 21,197 |
| Auto prop. damage | 231,458 | 130,000 |
| Auto collision | 424,233 | 200,824 |
| Fire | 65,228 | 16,663 |
| Totals | \$1,200,073 | \$ 514,556 |

General Accident—Assets, \$69,380,583, inc., \$7,020,689; unearned prem., \$17,409,585; loss res., \$24,230,482; capital, \$1,050,000; surplus, \$23,032,761, inc., \$534,435.

| | | |
|--------------------------|--------------|--------------|
| Accident | \$1,130,574 | \$ 345,661 |
| Health | 1,234,708 | 626,778 |
| Group A. & H. | 247,298 | 153,244 |
| Auto liability | 13,431,527 | 4,958,728 |
| Other liability | 3,558,196 | 902,183 |
| Workmen's comp. | 7,778,467 | 3,535,615 |
| Fidelity | 12,318 | 93 |
| Glass | 370,371 | 188,093 |
| Burglary & theft | 1,101,164 | 455,759 |
| Boiler & machinery | —117,789 | 29,204 |
| Auto prop. damage | 6,655,130 | 3,256,208 |
| Auto collision | 3,791,017 | 1,485,139 |
| Other P.D. & coll. | 589,536 | 145,953 |
| Aircraft | 14,259 | 2,784 |
| Totals | \$39,796,783 | \$16,085,449 |

Golden State Mutual Life—Assets, \$3,827,091, inc., \$556,149; unearned prem., \$1,000,000; surplus, \$4,099,609; inc., \$361,375.

| | | | | | | | |
|--|--------------------------------|---|---|--|---|--|--|
| Net Pmts. \$7,297 82 | Paid Losses 57,670 22 | 11,519; loss res., \$2,369,373; surplus, \$1,- 76,709; incr., \$8,235. | Net Pmts. 63,256 | Paid Losses 12,107 | 325,280; loss res., \$7,217,675; capital, \$1,- 000,000; surplus, \$5,459,013, incr., \$355,446. | Net Pmts. 2,504,193 | Paid Losses 1,105,336 |
| Great Northern Life—Assets, \$15,937,- 95, incr., \$1,365,011; unearned prem., \$1,002,383; loss res., \$450,808; capital, \$90,000; surplus, \$1,912,346, incr., \$223,- 82. | \$1,241,232 \$ 432,550 | Other P.D. & coll... 728,608 224,350 | Other auto 728,608 224,350 | Totals \$8,441,946 \$3,173,792 | Auto collision 2,504,193 1,105,336 | Other P.D. & coll... 168,192 37,742 | Other auto 1,372,343 431,870 |
| Harleysville Mutual Cas.—Assets, \$7,- 36,082, incr., \$1,040,912; unearned prem., \$2,389,927; loss res., \$2,784,906; surplus, \$1,896,283, incr., \$59,134. | \$2,215,499 \$ 941,329 | Auto liability 503,608 \$ 176,882 | Auto prop. damage. 314,758 159,320 | Auto collision 328,301 184,491 | Fire lines 54,399 4,325 | Total \$18,293,542 \$7,380,269 | |
| Hawkeye Casualty—Assets, \$4,705,855, incr., \$783,313; unearned prem., \$1,645,110; loss res., \$1,445,053; capital, \$500,000; surplus, \$906,554, incr., \$226,979. | \$2,905,746 \$ 900,981 | Emer. Rd. Serv. 804 172 | Calf club 6,152 1,774 | Totals \$1,316,177 \$ 553,700 | Group surg. & med. \$1,418,766 \$ 872,986 | | |
| Industrial Indem.—Assets, \$6,703,- 988, incr., \$1,080,110; unearned prem., \$2,822,265; loss res., \$1,273,342; capital, \$500,000; surplus, \$2,441,144, incr., \$486,- 900. | \$2,073 \$ 208 | Loyal Protective Life—Assets, \$8,334,- 777, incr., \$1,185,515; unearned prem., \$849,533; A. & H. loss res., \$390,680; capital, \$1,000,000; surplus, \$3,800,735, incr., \$474,988. | Group A. & H. 45,116 34,856 | Non-can. A. & H. 2,426,434 619,893 | Totals \$2,844,732 \$ 876,273 | | |
| Lumber Mutual Cas.—Assets, \$6,399,- 138, incr., \$793,439; unearned prem., \$848,- 062; loss res., \$3,894,828; surplus, \$1,011,- 482, decr., \$107,560. | 902,704 379,813 | Auto liability 444,016 \$ 171,084 | Other liability 291,209 57,615 | Workmen's comp. .. 3,413,534 1,367,150 | Auto prop. damage. 195,945 96,340 | Auto collision 4,796 995 | Other P.D. & coll... 84,590 19,842 |
| Manassas Indem.—Assets, \$6,703,- 988, incr., \$1,080,110; unearned prem., \$2,822,265; loss res., \$1,273,342; capital, \$500,000; surplus, \$2,441,144, incr., \$486,- 900. | 25,693 9,050 | Totals \$4,434,090 \$1,713,026 | Manufacturers Cas.—Assets, \$18,636,- 427, incr., \$335,152; unearned prem., \$4,- | | | | |
| Massachusetts Indem.—Assets, \$6,703,- 988, incr., \$1,080,110; unearned prem., \$2,822,265; loss res., \$1,273,342; capital, \$500,000; surplus, \$2,441,144, incr., \$486,- 900. | 10,263 7,266 | Michigan Mutual Liab.—Assets \$26,- 461,222, incr., \$4,263,751; unearned prem., \$6,435,625; loss res., \$12,276,911; surplus, \$5,771,727, incr., \$501,268. | Accident \$ 41,716 \$ 18,208 | Group A. & H. 80,524 52,566 | Auto liability 3,342,097 1,154,351 | Other liability 556,387 69,459 | Workmen's comp. .. 7,709,721 3,271,736 |
| Metropolitan Life—Assets, \$15,937,- 95, incr., \$1,365,011; unearned prem., \$1,002,383; loss res., \$450,808; capital, \$90,000; surplus, \$1,912,346, incr., \$223,- 82. | 1,631 \$ 400,761 | Auto collision 4,796 995 | Glass 14,711 8,164 | Burglary & theft... 24,516 5,991 | Auto medical 234,006 72,370 | Auto prop. damage. 2,190,731 1,148,146 | |
| Metropolitan Life—Assets, \$15,937,- 95, incr., \$1,365,011; unearned prem., \$1,002,383; loss res., \$450,808; capital, \$90,000; surplus, \$1,912,346, incr., \$223,- 82. | 1,631 \$ 400,761 | Income Guaranty—Assets, \$344,582, incr., \$13,570; unearned prem., \$89,171; loss res., \$78,431; capital, \$100,000; sur- plus, \$150,126, incr., \$3,622. | Auto liability 440,849 \$ 246,319 | Non-can. A. & H. 183,891 82,161 | Totals \$624,740 \$ 327,480 | | |
| Indiana Ins.—Assets, \$4,152,753, incr., \$37,783; unearned prem., \$2,001,294; loss res., \$806,607; capital, \$300,000; surplus, \$910,925, incr., \$108,378. | 1,631 \$ 400,761 | Fire 370,781 \$ 155,242 | Tornado 15,179 19,461 | Inland marine 24,347 11,003 | Ext. cov. 225,747 125,939 | Auto liability 779,202 274,857 | Other liability 39,017 4,390 |
| Inter-State B.M.A.—Assets, \$909,897, incr., \$84,246; unearned prem., \$150,507; loss res., \$87,429; surplus, \$637,490, incr., \$32,609. | 1,631 \$ 400,761 | Towing 3,383 1,028 | Bonds 4,336 | Glass 29,241 15,774 | Burglary & theft... 39,564 20,517 | Auto medical 98,563 32,120 | Auto prop. damage. 643,779 261,747 |
| Iowa Home Mutual Cas.—Assets, \$2,- 83,261, incr., \$367,055; unearned prem., \$1,807,438; loss res., \$516,481; surplus, \$687,535, incr., \$292,733. | 1,631 \$ 400,761 | Auto collision 407,872 125,423 | Totals \$3,582,905 \$1,386,692 | Inter-State B.M.A.—Assets, \$909,897, incr., \$84,246; unearned prem., \$150,507; loss res., \$87,429; surplus, \$637,490, incr., \$32,609. | Accident \$ 296,605 \$ 71,317 | Health 394,741 179,769 | Group A. & H. 24,208 12,193 |
| Iowa Mutual Liability—Assets, \$9,551,- 872, incr., \$1,627,010; unearned prem., \$3,522,306; loss res., \$3,227,211; surplus, \$1,921,008, incr., \$410,902. | 1,631 \$ 400,761 | Auto liability \$2,541,826 \$ 931,977 | Other liability 353,316 54,829 | Workmen's comp. .. 2,119,989 888,991 | Glass 11,494 6,767 | Burglary & theft... 46,969 18,390 | Auto prop. damage. 1,503,012 624,166 |
| Auto—Assets, \$2,369,373; surplus, \$1,- 76,709; incr., \$8,235. | 1,631 \$ 400,761 | Auto collision 1,073,476 412,215 | | | | | |

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| | | |
|--|--------------|-------------|
| 000; surplus, \$5,981,601, decr., \$378,236. | Net | Paid |
| | Premiums | Losses |
| Accident | \$ 384,376 | \$ 141,126 |
| Health | 332,692 | 112,130 |
| Group A. & H. | 13,729 | 11,206 |
| Auto liability | 3,064,256 | 1,087,172 |
| Other liability | 1,407,373 | 421,808 |
| Workmen's comp. | 3,561,228 | 1,545,018 |
| Fidelity | 314,962 | 92,149 |
| Surety | 126,233 | 4,763 |
| Glass | 254,233 | 116,779 |
| Burglary & theft.... | 616,504 | 207,041 |
| Boiler & machinery. 1,138,847 | 205,889 | |
| Aircraft hull | 2,793 | 106 |
| Auto prop. damage. 1,491,681 | 757,093 | |
| Auto collision | 28,492 | 7,367 |
| Other P.D. & coll.... | 214,567 | 63,382 |
| Water damage | 866 | 4,902 |
| Totals | \$12,952,870 | \$4,777,938 |

Preferred, Mich.—Assets, \$2,376,286, inc., \$581,210; unearned prem., \$1,191,187; loss res., \$641,694; capital, \$250,000; surplus, \$435,464, inc., \$31,892.
Auto liability

| | | |
|----------------------|-------------|-----------|
| Auto home trailer.. | 871,196 | 102,253 |
| Auto prop. damage. | 237,667 | 108,218 |
| Auto collision | 359,098 | 133,269 |
| Other auto | 217,424 | 54,978 |
| Totals | \$1,983,666 | \$511,117 |

Progressive Mutual, Ohio—Assets, \$1,007,676, inc., \$310,271; unearned prem., \$525,138; loss res., \$214,209; surplus, \$223,686, inc., \$95,186.
Accident

Reliable Life—Assets, \$8,923,826, inc., \$1,448,818; unearned prem., \$27,259; loss res., \$70,000; capital, \$750,000; surplus, \$1,899,080, decr., \$26,226.
A. & H.

| | | |
|------------------------------|-------------|-------------|
| Auto liability | \$2,006,528 | \$ 791,430 |
| Auto fire, theft.... | 243,887 | 67,531 |
| Auto prop. damage. 1,701,818 | 962,366 | |
| Auto collision | 2,410,460 | 1,272,833 |
| Auto med. | 301,757 | 154,203 |
| Other auto | 646,949 | 295,288 |
| Auto misc. | 10,391 | 5,171 |
| Totals | \$7,321,793 | \$3,548,763 |

State Automobile, Ind.—Assets, \$4,864,686, inc., \$923,791; unearned prem., \$1,554,809; loss res., \$1,329,333; surplus, \$1,349,269, inc., \$405,880.
A. & H.

State Farm Mutual Auto—Assets, \$96,030,234, inc., \$18,440,149; unearned prem., \$19,418,470; loss res., \$28,367,578; surplus, \$38,749,686, inc., \$16,771,637.
Auto liability

| | | |
|------------------------------|-------------|-------------|
| Group A. & H. | \$ 350,379 | \$ 247,471 |
| Auto liability | 1,826,983 | 677,171 |
| Other liability | 837,652 | 181,717 |
| Workmen's comp. | 1,233,423 | 404,444 |
| Fidelity | 117,014 | 14,471 |
| Surety | 764,262 | 100,771 |
| Glass | 49,240 | 26,310 |
| Burglary & theft.... | 153,684 | 75,640 |
| Auto prop. damage. 1,022,015 | 415,800 | |
| Auto collision | 1,027,249 | 316,640 |
| Other P.D. & coll.... | 347,086 | 106,430 |
| Other auto | 578,222 | 137,731 |
| Totals | \$8,307,217 | \$2,669,431 |

United Services Auto, Tex.—Assets, \$6,599,010, inc., \$1,719,901; unearned prem., \$2,620,829; loss res., \$1,798,380; surplus, \$1,879,796, inc., \$455,328.
P. F. F.

United States Guarantee—Assets, \$82,863, inc., \$3,864,792; unearned prem., \$7,008,705; loss res., \$5,480,396; capital, \$2,000,000; surplus, \$14,536,407, decr., \$308,074.
Accident

Our SPECIALIZATION

IN
**WORKMEN'S
COMPENSATION**
Opens the Door
for You,
the AGENT!



Based upon Strength, Integrity and Reliability, our SPECIALIZED SERVICE in WORKMEN'S COMPENSATION goes far in opening many doors of industry and business to YOU, the Agent!

Unequaled Service in engineering and claims handling aids agent-client contacts while promoting harmonious labor relations for the client as well.



Also....PUBLIC LIABILITY INSURANCE (Automobile excepted)

COAL OPERATORS CASUALTY COMPANY
GREENSBURG, PA.

Payroll & Other Casualty Audits
& Inspections.

Audits of Burglary & Bond losses.

Audits for reinsurance companies
of payrolls, claims, etc.

Inland Marine Audits & Inspections.

Audits of Cargo Motor Lines to
determine financial responsibility
and outstanding claims.

ATWELL, VOGEL & STERLING, INC.

60 John Street, New York—WHitehall 4-3477

A-1855 Insurance Exchange, Chicago—9 Clinton St., Newark—

369 Pine St., San Francisco

18 other offices providing nationwide service.

| | | |
|------------------------------|-------------|-------------|
| Auto liability | \$2,006,528 | \$ 791,430 |
| Auto fire, theft.... | 243,887 | 67,531 |
| Auto prop. damage. 1,701,818 | 962,366 | |
| Auto collision | 2,410,460 | 1,272,833 |
| Auto med. | 301,757 | 154,203 |
| Other auto | 646,949 | 295,288 |
| Auto misc. | 10,391 | 5,171 |
| Totals | \$7,321,793 | \$3,548,763 |

State Automobile, Ind.—Assets, \$4,864,686, inc., \$923,791; unearned prem., \$1,554,809; loss res., \$1,329,333; surplus, \$1,349,269, inc., \$405,880.
A. & H.

| | | |
|------------------------------|-------------|-------------|
| Auto liability | \$2,006,528 | \$ 791,430 |
| Auto fire, theft.... | 243,887 | 67,531 |
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A. & H.

Travelers Indemnity—Assets, \$89,655,944, inc., \$16,268,097; unearned prem., \$38,289,511; loss res., \$18,444,009; capital, \$3,000,000; surplus, \$26,043,854, inc., \$5,444,520.
Auto liability

| | | |
|-------------------------------|--------------|--------------|
| Auto liability | \$5,105,947 | \$1,786,964 |
| Other liability | 2,944,326 | 612,480 |
| Workmen's comp. | 4,768,572 | 2,342,947 |
| Fidelity | 1,374,072 | 172,840 |
| Surety | 2,185,101 | 598,667 |
| Glass | 867,850 | 461,501 |
| Burglary & theft.... | 5,009,531 | 1,990,785 |
| Boiler & machinery. 5,277,953 | 888,415 | |
| Auto prop. damage. 18,767,947 | 9,287,214 | |
| Auto collision | 16,802,029 | 6,898,871 |
| Other P.D. & coll.... | 2,884,293 | 790,536 |
| Fire | 100,405 | 31,081 |
| Totals | \$65,987,177 | \$25,821,225 |

| | | |
|-------------------------------|--------------|--------------|
| Auto liability | \$5,105,947 | \$1,786,964 |
| Other liability | 2,944,326 | 612,480 |
| Workmen's comp. | 4,768,572 | 2,342,947 |
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| Other P.D. & coll.... | 2,884,293 | 790,536 |
| Fire | 100,405 | 31,081 |
| Totals | \$65,987,177 | \$25,821,225 |

Travelers—Assets, \$1,775,028,769, inc., \$100,495,666 unearned prem., \$51,275,856; loss res., \$93,934,248; capital, \$20,000,000; surplus, \$182,376,634, inc., \$14,694,708.
Accident

United Pacific—Assets, \$11,523,622, inc., \$1,907,138; unearned prem., \$3,114,843; loss res., \$3,775,653; capital, \$600,000; surplus, \$3,095,703, inc., \$352,113.

WANT ADS

ATTENTION CHICAGO AGENCIES

Are you in need of a capable insurance man to service accounts and develop new business? Company man with excellent casualty and surety experience is interested in such a position. Age 45. Best of references. Reply in confidence to T-59, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

CLAIMS MANAGER WANTED

For large old line casualty company's Post office. Excellent opportunity. State age, education, qualifications and salary desired. Address T-54, c/o The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

OPPORTUNITY

Middle aged woman with knowledge of casualty insurance. State age, education, experience, and salary desired. Address T-55, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

OPPORTUNITY

Assistant insurance manager with national manufacturer. Reply fully, stating age, education, experience and salary desired. Address T-56, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

COAST

University of Ill. Short Course Begins on March 21

An agents' short course at the University of Illinois will be conducted this year and in 1950. The course is presented in four sessions of one week each. The faculty consists of experienced insurance men. The opening week of March 21-25 will deal with general principles. Sessions will be held May 23-27, on inland marine, aviation, burglary and glass, boiler and machinery; Sept. 19-23, public liability and workmen's compensation, automobile material damage and liability; Nov. 14-18, A. and H. fidelity and surety, government regulation, surplus selling, and business letter writing. All sessions will be held on the Galesburg campus where ample facilities are available for both housing and meetings. Reservations for the course or for individual sessions may be made through the division of university extension at Urbana. Deadline for reservations is one week prior to the opening of each session.

U. of Wis. Scholarships

MADISON, WIS. — National Mutual Benefit and Wisconsin Life, both of Madison, and Wisconsin Assn. of Insurance Agents have given annual 50 scholarships to students majoring in insurance at University of Wisconsin. Prof. Charles C. Center of the school of commerce announced the scholarships at a meeting of the University Insurance Society and said the awards will be made at the senior send-off May 11. Speakers at the meeting were: W. W. Bailey, Milwaukee, state agent Pacific Fire; J. L. Johnson, Wisconsin Life; P. N. Snodgrass, General Casualty, and C. B. Stumpf, Illinois Mutual Casualty, all of Madison.

Cites Fire Rate Decrease

APPLETON, WIS. — T. L. Mulcahy, Milwaukee, state agent National Fire, a guest speaker at dinner meeting of the Appleton Board, pointed out that the cost of every item of living has been continually rising, whereas there has been a continual decline in fire insurance rates. Since 1918, he said, the rate on a three-year fire policy for a one-family approved roofing dwelling has been cut in half. He also discussed marine insurance. Other guests were Herbert Preston, state agent U. S. Fire, and Ralph L. Hoffer, U. S. Casualty, Chicago.

Mich. 1752 Club Elects

LANSING, MICH. — Newly elected officers of the Michigan 1752 Club named at the annual meeting here are: Howard W. Schreiber, Northwestern Mutual Fire, president; Wayne Burkham, Central Manufacturers Mutual, vice-president; George C. Bubolz, East Lansing, Home Mutuals, secretary-treasurer, and Paul McDonald, Wolverine Mutual, assistant secretary-treasurer.

Discuss E. C., Wind Rates

Hutchinson (Kan.) Insurance Board discussed the new Kansas extended coverage and wind and hail rates. Hutchinson had been in the center of several wind and hail storms in recent years, which resulted in the unfavorable rate ratio that led to the necessity of increasing rates.

Sullivan, Kenna Speakers

Crawford County Insurers held a dinner meeting at Pittsburg, Kan., Feb. 15, with nearly 50 attending from various towns in the county and others nearby.

Speakers included Commissioner Sullivan and Alpha H. Kenna, executive manager of Kansas Assn. of Insurance Agents, who reviewed bills pending before the Kansas legislature of interest to insurance men.

Messrs. Sullivan and Kenna will address Iowa Insurers and Iowa Kiwanis Club March 11.

Seek Better Fire Protection

MINNEAPOLIS — At the March 7 meeting of Insurance Club of Minneapolis a report of the club's fire prevention committee, which has been working with city officials to give Minneapolis better fire protection, will be given. John Jackson, state manager of Home, is chairman of the committee.

Guy Speaks at Toledo

Allen C. Guy, regional manager of Western Adjustment, Columbus, spoke before Toledo Assn. of Insurance Agents on "Replacement and/or Depreciation Insurance."

Horton Heads Ohio Mutuals

A. R. Horton of Rootstown is the new president of Ohio Assn. of Mutual Insurance Companies. The association has a membership of 88 companies.

Policywriting Service

A new office known as Special Office Service has been opened in the W.O.W. building, Omaha, specializing in the writing of insurance policies for local agents and field men. The firm is headed by Norman N. Kemmler, who for many years was vice-president of Midstate Underwriters, Omaha general agency.

NEWS BRIEFS

Grand Rapids Assn. of Insurance Agents will give a luncheon to fire department's No. 3 pumper company which won competitive speed tests in handling of fire equipment. Members of Michigan Fire Prevention Assn. will be guests.

Farmers Home Mutual of Minneapolis is observing its 50th anniversary. Organized as a statewide windstorm writing mutual, it is now writing standard protection for urban properties as well.

Earl G. Gile of the Gile & Van Doorn agency, Milwaukee, will speak at the dinner meeting of Insurance Women of Milwaukee, March 7.

A. M. Angvik, superintendent of the bond department of the Aetna Casualty & Surety, talked on his specialty at the March 1 meeting of Minneapolis Insurance Women's Assn.

Elmer Anderson has purchased the Frank H. Meek agency at Clay Center, Kan.

The spring party of the Kansas City Insurance Agents Assn. will be held April 16. E. U. Winegarden is chairman.

SOUTH

Okla. Regional Program at Ponca City Announced

The morning session of the regional conference scheduled by the Oklahoma Assn. of Insurance Agents at the Jens Marie hotel, Ponca City, March 11, will be under direction of the public relations committee of the Oklahoma Fire Underwriters Assn. Jesse E. Murray, Jr., chairman Kay county district, will preside.

Sound film will open the program, followed by discussion of "Scope and Aim of New Public Relations Program," by T. Ray Phillips, Sr., state agent American Fore, chairman Oklahoma public relations committee. I. M. Hughes, manager Home, will talk on

"Reinsurance," and C. E. Johnson, New York Underwriters, on "U. & O. Insurance."

John H. Mugler, president Oklahoma association, will preside at the afternoon session. E. R. Ledbetter will discuss "Agency Management," Dave R. McKown, legislative chairman, and James O. Welchel, Tulsa, co-chairman educational committee, will report.

Adopt Four-Agency Rule

LOUISVILLE — Louisville Board of Fire Underwriters has voted to change board rules to allow fire companies as many as four agencies, instead of two, which has been the rule for years. Companies which already have more than four agencies, as a result of mergers, etc., will not be affected.

New Tenn. Supervisor

NASHVILLE — Mrs. Ruth Hay has been appointed state supervisor of insurance and liability bonding to succeed Mrs. Leone Lawson. All state insurance, except that on the University of Tennessee, is placed through this office.

Mansfield Addresses Women

President T. R. Mansfield of Gulf, addressed the February meeting of Insurance Women of San Antonio. He traced the history of insurance and developments which have led to present-day practices. About 70 attended, including President Ocas Wolf and Secretary F. F. Ludolph of San Antonio Insurance Exchange, a number of other local agents and some field men.

Miami Board Aids Students

The Greater Miami Insurance Board has established a scholarship loan fund for male graduates of Dade county high schools. An annual loan of \$400 will be provided for four years to assist local youths at recognized universities or colleges. It will be awarded to one student each year.

NEWS BRIEFS

W. J. Perryman & Co., general agency of Birmingham, has entered Penn Mutual Fire in Florida, and has placed Jefferson Mutuals of Birmingham in western Florida.

Joe C. Carr, Tennessee secretary of state under the previous administration, has joined the Jarrell agency at Nashville, according to Tom C. Jarrell, manager.

B. A. Gilbert, San Antonio, special agent for Quirk & Co., has recovered from a gall bladder operation and is again in the field.

George H. McKinney, special agent of America Fore, addressed Corpus Christi Insurance Exchange on the first revision of the Texas standard policy.

With 119 in attendance the annual bosses' dinner of Insurance Women's Club of Oklahoma City was held Feb. 21. A clever skit on hat fashions was presented. R. W. H. McCulloch entertained with legerdemain.

Self-Insurers Honor Schmidt

New Jersey Self-Insurers Assn. gave a dinner in honor of A. M. Schmidt, insurance manager of Johns-Manville Corp., on his retirement from the presidency of the association which he had held since 1944. Oliver T. Clayton, Esso Standard Oil Co., the new president, presented Mr. Schmidt a traveling bag. Mr. Schmidt is vice-president of National Council of State Self-Insurers Assns., which meets each year in connection with International Assn. of Industrial Accident Boards & Commissions.

Seattle Dinner to Honor N.A.I.A. Leaders in June

The Washington Assn. of Insurance Agents plans a special dinner meeting to honor officers of the National association who will visit Seattle June 26-30 at the time of the annual convention of National Assn. of Insurance Commissioners.

President and Mrs. John C. Stott and Vice-president O. Shaw Johnson, accompanied by Mrs. Johnson, will attend the meeting, as will Walter M. Sheldon of Chicago, and Mrs. Sheldon. Walter H. Bennett, counsel, also will be present.

State of Wash. Income Tax Bill Troubles Insurers

Insurance companies doing business in state of Washington face an income tax as result of passage of Gov. Langlie's proposed measure by a one-vote margin in the senate. The bill is pending in the house where the Democratic majority either may kill the bill or send it back to the senate with amendments.

Washington's insurance code has no "in lieu of" provision in the premium tax section and the income tax does not exempt insurance companies. Not only would all types of insurers be compelled to set up accounting records to determine profit on Washington business, but they would be obliged to pay the flat 2% tax on their earnings within the state.

Domestic companies are even more concerned over possible passage of the bill by the house. They would be forced to pay the same tax in numerous other states in which they operate under retaliatory laws and to maintain costly

GENERAL AGENTS

COLORADO

Braerton, Simonton, Brown, Inc.

527 Gas & Electric Building
Denver

Ritter General Agency

FIRE-SURETY-CASUALTY
955-53 Gas & Electric Building
Phone Cherry 7451

Denver 2, Colorado
Colorado-Wyoming-New Mexico-Utah

KENTUCKY

Bradshaw & Weil General
Agency Co., Inc.
Starks Building
Louisville 2, Kentucky

accounting data to determine their tax liability in other states.

There is a possibility that a bill embodying amendments to the insurance code will be amended to include an "in lieu of all other taxes" provision which would exempt from income tax insurers paying premium tax.

P. W. Coast Conference

The field men of the Pacific department of Providence Washington gathered at San Francisco for a five-day conference with President Stephen W. Carey, III, Pacific Coast Manager Charles E. Currey, and other executives of that office. Outside speakers included J. W. Marshall of Marshall & Stevens Valuation Service; K. W. Withers, U.O. adjuster for General Adjustment Bureau; L. B. Sterling of Atwell, Vogel & Sterling; John Henry Martin, manager of Standard Forms Bureau, and Waldo Marra, University of California extension division, who spoke on insurance production through letter writing. There were group luncheons and a banquet, and a stag party at the home of Bev. C. Turnbull, Pacific Coast marine manager.

Hotchkis at Joint Meeting

LOS ANGELES—President Preston Hotchkis of Founders Fire & Marine was the featured speaker at the joint meeting of the Los Angeles C.L.U. chapter and Pacific C.L.U. With President Martin I. Scott of American Society of C.L.U. and Stanley J. Higgins, secretary of Insurance Forum, outlining the correlation between C.L.U. and C.P.C.U.

Mr. Hotchkis in his talk on "Where Are We Going in Insurance?" criticized the administration's moves for government control. He said the probe of life insurance will be followed by a probe of property coverages. Public law 13 takes insurance out of the anti-trust law situation. But there is nothing to prevent Congress from putting it back.

New Coast Auto Company

Western Pioneer Automobile is being organized at Oakland, Cal., by R. L. Jensen, C. P. Henry and Thomas F. Myles. They plan to start operations in June with \$180,000 capital and \$180,000 surplus.

Royal Adjusters Meet on Coast

Claim adjusters from the Pacific department of Royal met last week at San Francisco to consult with San Francisco executives and J. P. McCormick, vice-president from the New York office. The meetings were highlighted by a banquet at the Fairmont hotel.

EAST

Course on Standard Fire Policy Starts at Boston

BOSTON—A discussion course on the Massachusetts standard fire policy will be conducted by the Insurance Library Assn. of Boston, with assistance of Bay State Club, March 14—April 11.

Discussion leaders will be: T. W. Keany and Fred H. Hargreaves, American; Jack N. Duffey and Arthur H. Clark, Springfield F. & M., and Alfred H. Stafford, Boston.

A notebook which has been completely revised under direction of Clarence J. Stalliday, education chairman of the Bay State Club, will be given each student. The class is limited to 25. The fee is \$10 which includes the discussion notebook.

N. J. Meetings Scheduled

Insurance meetings scheduled in New Jersey include: March 3, Passaic County Assn. of Insurance Agents, Passaic, Philip M. Winchester, General Adjustment Bureau, speaker; March 8, Bergen

County Assn. of Insurance Agents, Hackensack, Carl Holderman, president, New Jersey C.I.O. speaker; March 10, annual dinner of Camden Assn. of Insurance Agents; March 14, Insurance Square Club of New Jersey, Newark; March 25, Insurance Women of New Jersey "bosses night," Newark; April 21, mid-year meeting of New Jersey Assn. of Insurance Agents, Newark.

D. C. Rate Case Set Ahead

WASHINGTON — Hearing of the District of Columbia fire rate controversy will not take place in the district court here before April, according to an understanding reported reached between representatives of the companies and of the district government. The hearing had previously been postponed until not earlier than March.

Superintendent Jordan reports no discussion of settlement or compromise proposals. Company representatives are reported as having submitted figures to him tending to support their claim that rates which Mr. Jordan ordered reduced were not unreasonable.

Michigan Mid-Year Draws 559

(CONTINUED FROM PAGE 27)

the association is preparing a series of courses on property and casualty insurance to be used by the department for continuing education at Michigan State college. Announcement will be made shortly of the appointment of a professor to direct the courses. They will include one in agency management, agency personnel, fire and transportation, and general casualty and automobile.

The executive committee also voted to purchase a complete set of texts in property and casualty insurance for both the Michigan State college library and the state library in Lansing, in connection with plans for the new courses.

Breakfast Discussion

M. Robert Olp, education committee chairman, presided at the breakfast discussion but due to illness, H. Thompson Stock, education director, could not be present. Darlyle Watters, director of the department's agency licensing division, explained the new license examination form, devised with help of the association, which, he said, has reduced the examining period for the average applicant from some 4½ to about 1½ hours.

The appalling accident situation was brought most forcibly to the agents' attention at the first general session Thursday in a talk by James N. Wilson, Kalamazoo general agent, on "Give Me War." A veteran of war 1, Mr. Wilson compared the casualty rate in war when every effort is made to "train men to live" despite the utmost hazard to the high rate in peacetime due to careless habits of the citizenry generally.

Officers Report

At that session also, Russell A. Bradley, Ann Arbor, association president, reported on his regime; Walter B. Cary, Detroit, state director, reported on the National association, particularly efforts to reduce its expenses; and George W. Carter, Detroit, chairman, conference committee, discussed the interstate rating situation and urged attendance of many members at the midwest territorial conference, scheduled for French Lick, Ind., in March. It was indicated that a large delegation will be present from Michigan. Mr. Carter, discussing the interstate rating matter, suggested that a method of rating be developed similar to that used in the life and fidelity fields.

The banquet speaker, Joseph F. Leopold, National Tax Equality League, emphasized the menace of competition from tax-free cooperatives which, he said, range in their activities from operation of oil wells to jewelry stores. He said the one major reason for or-

Mr. Jordan has conferred with representatives of the D. C. Rating Bureau, which is reported anxious to get the case out of the way, one way or another.

Drake Insurance Day Speak

Program schedule has been announced for Buffalo Insurance Day March 25, sponsored by Casualty & Surety Club of Buffalo. The affair will start with a luncheon. The afternoon meeting will run from 1:45 to 4, with a cocktail party from 4:30 to 6.

First speaker announced is Glenn Drake, sales analyst, who will discuss "The Eye Is Quicker Than the Ear."

T. W. Bailey at Pittsburgh

T. W. Bailey, vice-president of Marsh & McLennan, New York, will discuss public law 15 at the March 7 meeting of Insurance Buyers of Pittsburgh.

Albert S. Bagg, Jr. has joined his father in his agency at Utica, N. Y., which will be known in the future as Albert S. Bagg & Son.

ganization of these enterprises as co-operatives is "to save taxes."

It had been anticipated that Gov. G. Mennen Williams, Michigan's new Democratic executive, would attend the banquet and speak briefly but he was unable to do so because of a conflicting political meeting. He sent a letter commending the association's activities in the educational, public safety, fire prevention, and legislative fields.

Several legislators were present, including Sen. Leo Roy, Hancock agent, and Rep. Andrew Bolt, Grand Rapids, chairmen, respectively of senate and house insurance committees.

The business production forum Thursday morning produced such interest that the chairman had to curtail discussion after the talks by William A. Eakin, Employers Liability, Chicago, on "Dissection of Liability Contracts," and Leon J. McVoy, Grand Rapids, on "Local Association Public Business Service."

Mr. McVoy made specific suggestions relative to handling public business through a local association, a plan first employed, he noted, by the Pontiac association in 1929. He advocated a small committee in the association to contact public officials, with full understanding of the local board's membership, before starting negotiations. This committee, he said, should follow up the matter as there are changes in office-holders. He said recommendations for insurance, after full study of public needs, should be filed in writing with the responsible officials whether the agents' proposal is accepted or not. He reviewed the association handling of public business in Saginaw, Flint, Ann Arbor, Kalamazoo and Grand Rapids.

Aviation Business Slackening

Among other matters considered at the Thursday session were aviation, automobile, and farm insurance. Edwin Quick, Muskegon, leading the discussion on aviation business, noted that there is little opportunity left for placing these risks as the companies have "all they want." He said they also have halted writing of additional coverage for G.I. aviation students.

D. D. Kay, Lapeer, directing the farm underwriting discussion, recommended broadening of the farm fire form to permit more flexibility in writing personal property.

The law and legislative committee, in a separate session, discussed all measures of interest to agents either already before the legislature or anticipated. In addition to supporting the departmental proposals, for an improved Michigan fair trade practices act, it was indicated that association backing will be given to legislation to provide for a

two-year non-contestable clause in A. & H. contracts. The association also will back, it was agreed, a clarification of the school building code relating to demolition of buildings to provide that only fire-resistant materials may be used to rebuild school edifices 50% or more destroyed by fire or other hazards covered in comprehensive contracts.

The executive committee directed association officers to attend the annual meeting of the commissioners in Seattle in June in recognition of Commissioner Forbes' probable elevation at that time to presidency of the N.A.I.C. The state association's annual convention will be at Grand Rapids, Sept. 26-28.

William Eaken, Employers Liability, Chicago, in addressing the Michigan meeting on the comprehensive general liability policy, said that this contract aims to fulfill the true function of insurance to provide "freedom from worry over financial loss." The policy eliminates the blank spaces that heretofore represented either the single line exposures not insured or the harsher exclusions of the single line policies, or both.

Mr. Eaken gave a thorough analysis of the contract and the implications of its various coverages and exclusions. He urged the agent to pre-audit the contract so that the insured may accurately budget costs and not be faced with a surprise additional premium at termination. In securing the information for the underwriter, the agent should exert imagination in order to uncover all of the hazards.

Woman Gets \$132,000 as Settlement on Delta Crash

In the first case in which the amount of settlement has been disclosed, Mrs. Tripolina Meo of Chicago accepted \$132,000 in her damage suit against Delta Airlines. Mrs. Meo was the only survivor of the Delta wreck at Chicago in March of 1948. She suffered a skull fracture, a fracture of both legs which resulted in the amputation of her left leg and a broken right arm in addition to severe burns.

Associated Aviation carried the hull liability and compensation of the airline and paid \$100,000 to Mrs. Meo. The remainder was paid by Delta. It is believed that Delta carried liability in the amount of \$100,000 per seat on the DC-4. The settlement was the largest for personal injuries ever made in Cook county.

Mrs. Meo has a suit for \$11,000 still in court for the death of her son, Alfred 10. This was the boy who urged his mother to buy trip ticket policies, and when they found the ticket machine in the Delta office was out of order, he coaxed his mother into going down to the Capital Airlines office where another machine was installed. Each bought a \$5,000 policy, and Mrs. Meo received \$2,500 for her injuries, while \$5,000 was paid on the life of the boy.

Says Self-Insurance Is Answer to State Funds

PITTSBURGH—E. S. Oberdorfer, president of Robert F. Coleman, self-insurance organization, in a talk before Insurance Buyers of Pittsburgh, said self insurance, not socialism, can provide a "fair deal" in workmen's compensation. Self-insurance is the only workable alternative to a monopolistic state fund, he declared. Any company employing 350 or more people, and whose compensation premiums are \$10,000 or more, can actually save money by this plan.

Comptroller Is Sentenced

H. P. Schlenker, Union Trust Co. comptroller, Rochester, N. Y., has been sentenced to three years for manipulation of bank records extending back to 1929. The deficit is estimated at \$173,370. The bank is insured in London Lloyds.

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sured in London

MEASURE OF YOUR POSSIBLE LOSS
The basis of all Business Interruption Insurance is—

GROSS EARNINGS:
The difference between sales and cost of merchandise

RETAIL BUSINESSES—
Visual Sales Book Shows Exact Inventory Values

1. New 64-page Book, "Business Interruption Primer."

2. Business Interruption Visual Sales Book, "Suppose Your Business Is Interrupted . . ."

A New . . .

Business Interruption Sales Kit

HERE IS A NEW Business Interruption Sales Kit, containing—

1. A new book on the Gross Earnings forms, *Business Interruption Primer*, and—
2. A field-tested visual sales book, "Suppose Your Business Is Interrupted . . ."

1. *Business Interruption Primer*—pictured above—is a new 64-page book that tells everything you need to know to start writing the new Gross Earnings forms for all but your very largest prospects. First Business Interruption book published since the war, its chapters tell: "Why A Business Needs Business Interruption," "What Kind Should You Sell?", "How Much Does He Need?", "What Does It Cost?", "Extra Expense Insurance and Other Allied Lines," "Special Situations" and "How to Sell Gross Earnings."

2. "Suppose Your Business Is Interrupted . . ."—The visual sales kit that helped one man produce more than \$20,000 in Business Interruption premiums in six months. With 8 pages of two-color pictures it shows your prospect exactly what Gross Earnings are, why and how much insurance he needs. It shows convincingly how his possible Business Interruption loss is usually higher than his possible contents loss—

although both losses will occur from the same fire.

HOW TO USE THIS KIT

To Present Customers—List your mercantile customers who buy Building and Contents Fire—and who need but do not have Business Interruption. Use the *Primer* to get complete Gross Earnings information in mind—then use the Visual Sales Book to help each prospect

see why he needs it.

New Accounts—All your prospects carry Building and Contents Fire—but only a few now carry Business Interruption. This new Sales Kit will help you sell this business properly, and make the best possible demonstration of your agency's intelligent service.

Send for this new *Business Interruption Sales Kit* Today!

CLIP AND MAIL WITH YOUR CHECK

COMPLETE BUSINESS INTERRUPTION SALES KIT.....\$2.00

Business Interruption Primer
An informative 64-page book on Business Interruption insurance, including the new Gross Earnings forms. Carefully indexed to answer any Business Interruption question quickly and easily.....\$1.00

Business Interruption Visual Book
An 8-page, two-color booklet (8½ by 11 inch page size) visualizing what

Business Interruption is and why your customers need it. With 6 special work sheets and Dun & Bradstreet ratios for 50 retail trades.....\$1.00

Additional Kits

Prices below apply to either book, or to the total quantity order at one time of both books:

| | |
|---------------|-----------------|
| 1.....\$ 1.00 | 50.....\$ 33.75 |
| 6..... 4.50 | 100..... 65.00 |
| 25..... 17.50 | 500..... 275.00 |

ROUGH NOTES

P. O. Box 564, Indianapolis 6, Indiana

SEND ME copies of the new BUSINESS INTERRUPTION SALES KIT, including Visual Selling Book, work sheets and BUSINESS INTERRUPTION PRIMER. I enclose.....

OR—Send me copies of the Visual Sales Book and copies of BUSINESS INTERRUPTION PRIMER. I enclose.....

I understand if not entirely satisfied, I can return the books and get all my money back.

Name.....

Address.....

City..... State..... RN 3-49

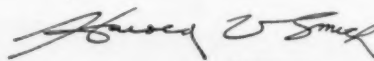
A neighborly property insurance company reports to the Public:

WEBSTER defines "neighbor" as one who lives nearby; is associated with others on friendly terms.

By that definition, The Home is truly a neighborly property insurance company. Through its forty thousand representatives, The Home lives in and serves cities, towns and hamlets in every state of the Union.

To countless property owners, The Home is personified by the hard-working representative who takes an interest in their problems and their protection—the man who lives down the street, who serves on civic committees, the man who brings prompt financial relief to policyholders when disaster strikes. That is The Home, in its most fundamental sense.

Now, more than ever, The Home is a "grass roots" company. Ten fire-marine insurance companies which were previous affiliates, last year were merged into The Home. The balance sheet shown is the first complete one issued by the enlarged Home organization. This is rightly of interest to the public, because The Home is by far the leading insurance protector of American homes and the homes of American industry.


PRESIDENT

Balance Sheet *December 31, 1948*

ADMITTED ASSETS

| | |
|---|-------------------------|
| Cash in Office, Banks and Trust Companies | \$ 31,027,607.07 |
| United States Government Bonds | 107,440,297.48 |
| Other Bonds and Stocks | 122,046,607.25 |
| Investment in Associated Company | 6,871,511.16 |
| First Mortgage Loans | 3,126.58 |
| Real Estate | 4,330,868.09 |
| Agents' Balances, Less Than 90 Days Due | 10,811,751.20 |
| Reinsurance Recoverable on Paid Losses | 706,975.90 |
| Other Admitted Assets | 2,006,693.37 |
| Total Admitted Assets | \$285,245,438.10 |

LIABILITIES

| | |
|--|-------------------------|
| Reserve for Unearned Premiums | \$141,729,267.00 |
| Reserve for Losses | 33,879,862.00 |
| Reserve for Taxes | 9,000,000.00 |
| Liabilities Under Contracts with War Shipping Administration | 2,888,128.21 |
| Reinsurance Reserves | 1,493,633.18 |
| Other Liabilities | 2,417,432.63 |
| Total Liabilities Except Capital | \$191,408,323.02 |
| Capital | \$20,013,595.49 |
| Surplus | 73,823,519.59 |
| Surplus as Regards Policyholders | 93,837,115.08 |
| Total | \$285,245,438.10 |

Directors

LEWIS L. CLARKE
Banker
CHARLES G. MEYER
The Cord Meyer Company
WILLIAM L. DEBOST
Chairman,
Union Dime Savings Bank
EDWIN A. BAYLES
Lawyer
ROBERT GOELET
Real Estate
GEORGE MCANENY
Vice Chairman,
Wills & Trust Committee,
Title Guarantee & Trust Co.
GUY CARY
Lawyer
HAROLD V. SMITH
President
HARVEY D. GIBSON
President,
Manufacturers Trust Company
FREDERICK B. ADAMS
Chairman of Executive Committee,
Atlantic Coast Line Railroad Co.
ROBERT W. DOWLING
President, City Investing Co.
GEORGE GUND
President, Cleveland Trust Co.
HAROLD H. HELM
President,
Chemical Bank & Trust Co.
CHARLES A. LOUGHIN
Vice President & General Counsel
IVAN ESCOTT
Vice President
C. STEVENSON NEWHALL
Chairman of Board,
Pennsylvania Co. of Philadelphia
PERCY C. MADEIRA, JR.
President,
Land Title Bank & Trust Co.
EARL G. HARRISON
Lawyer
JOHN A. STEVENSON
President,
Penn Mutual Life Ins. Co.
CHAMPION McDOWELL DAVIS
President,
Atlantic Coast Line Railroad Co.
WARREN S. JOHNSON
President,
Peoples Savings Bank & Trust Co.
of Wilmington, N. C.
ROGER W. BABSON
Chairman of Board,
Babson's Reports, Inc.
ROBERT B. MEYER
The Cord Meyer Company
HENRY C. BRUNIE
President,
Empire Trust Company
HARBIN K. PARK
President & Director,
First National Bank of Columbus,
Georgia
BOYKIN C. WRIGHT
Lawyer

NOTES: Bonds carried at \$8,143,395.33 Amortized Value and Cash \$80,000.00 in the above balance sheet are deposited as required by law. All securities have been valued in accordance with the requirements of the National Association of Insurance Commissioners. Assets and Liabilities in Canada and Jamaica, B.W.I. have been adjusted to the basis of the free rate of exchange. Based on December 31, 1948 market quotations for all bonds and stocks owned, the Total Admitted Assets would be increased to \$285,403,703.37 and the policyholders' surplus to \$93,995,380.35.



PROPERTY
INSURANCE

★ THE HOME ★
Insurance Company
Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • MARINE
AUTOMOBILE

The Home Indemnity Company, an affiliate, writes Casualty Insurance, Fidelity and Surety Bonds.

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